

If you have any queries about this document, you may consult the Asset Manager.

PROSPECTUS

CAPITEC GRAMEEN BANK GROWTH FUND

Total Issue

200,000,000 units of Tk. 10.00 each at par for Tk. 200.00 Crore

Sponsors' Contribution

100,000,000 units of Tk. 10.00 each at par for Tk. 100.00 Crore

Reserved for EIs (including CISs)

20,000,000 units of Tk. 10.00 each at par for Tk. 20.00 Crore

Reserved for Mutual Funds

5,000,000 units of Tk. 10.00 each at par for Tk. 5.00 Crore

Non-Resident Bangladeshis

5,000,000 units of Tk. 10.00 each at par for Tk. 5.00 Crore

Resident Bangladeshis

70,000,000 units of Tk. 10.00 each at par for Tk. 70.00 Crore

Asset Manager: Capitec Asset Management Limited

Sponsor: Grameen Bank

Trustee & Custodian: Investment Corporation of Bangladesh (ICB)

This Offer Document sets forth concisely the information about the Fund that a prospective investor ought to know before investing. This Offer Document should be read before making an application for the Units and should be retained for future reference. Investing in the **CAPITEC GRAMEEN BANK GROWTH FUND** (hereinafter the Fund) bears certain risks that investors should carefully consider before investing in the Fund. Investment in the capital market and in the Fund bears certain risks that are normally associated with making investments in securities including loss of the principal amount invested. There can be no assurance that the Fund will achieve its investment objectives. The Fund value can be volatile, and no assurance can be given that investors will receive the amount originally invested. When investing in the Fund, investors should carefully consider the risk factors outlined in the document.

Subscription

Opening Date for Subscription

September 24, 2023

Closing Date for Subscription

October 01, 2023

Date of Publication of Prospectus: August 23, 2023

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন। “

The investors are requested, in their own interest, to carefully read the Prospectus, in particular the risk factors, before making any investment decision.

FUND PROFILE

Sponsor	:	Grameen Bank Head Office Mirpur-2, Dhaka - 1216, Bangladesh
Trustee & Custodian	:	Investment Corporation of Bangladesh (ICB) BDBL Bhaban, 8, Rajuk Avenue, Dhaka - 1000, Bangladesh
Asset Manager	:	Capitec Asset Management Limited Padma Life Tower 10th Floor (Lift 9), 115, Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka – 1000, Bangladesh
Auditor	:	MABS and J Partners, Chartered Accountants SMC Tower (7th Floor), 33 Banani C/A, Road #17, Dhaka - 1213, Bangladesh
Banker	:	The City Bank Limited Gulshan Avenue Branch City Bank Center, 136, Gulshan Avenue Gulshan-2, Dhaka-1212, Bangladesh

For any information, please contact at following address:

Capitec Asset Management Limited
Padma Life Tower 10th Floor (Lift 9),
115, Kazi Nazrul Islam Avenue, Bangla Motor,
Dhaka – 1000, Bangladesh
Tel: +88-02-222226789, +88-01704-188508,
E-mail: info@capitecbd.com, Web: www.capitecbd.com

Definition and Elaboration of the abbreviated words and definitions used in the Prospectus:

বিধিমালা/Rules Act	: সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১
Allotment	: বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩
Asset Manager/AMC	: Letter of Allotment for units
	: The Asset Management Company (AMC) refers to "Capitec Asset Management Limited".
BDT	: Bangladeshi Taka
BO A/C	: Beneficial Owner Account or Depository Account
BSEC/Commission	: Bangladesh Securities and Exchange Commission
CDBL	: Central Depository Bangladesh Limited
Certificate	: Unit Certificate of the Fund
Companies Act	: কোম্পানি আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন)
CSE	: Chittagong Stock Exchange PLC.
DSE	: Dhaka Stock Exchange Limited
EPS	: Earning Per Share
ESS	: Electronic Subscription System
FC Account	: Foreign Currency Account
FI	: Financial Institution
FIS	: Fixed Income Securities
Government	: The Government of the People's Republic of Bangladesh
ICB	: Investment Corporation of Bangladesh
IPO	: Initial Public Offering
IDRA	: Insurance Development and Regulatory Authority
Issue	: Public Issue
MD & CEO	: Managing Director and Chief Executive Officer
NBFI	: Non-Banking Financial Institution
NBR	: National Board of Revenue
Net Assets	: The excess of assets over liabilities of the Fund, computed in the manner specified hereunder.
Net Asset Value/NAV	: Per unit value of the Fund arrived at by dividing the net assets by the number of units outstanding of the Fund.
NRB	: Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy/High Commission to the effect that no visa is required to travel to Bangladesh.
Offering Price	: Price of the Securities of the Fund being offered
Prospectus	: The advertisements or other documents (approved by the BSEC), which contain the investment and all other information in respect of the Mutual Fund, as required by the বিধিমালা and is circulated to invite the public to invest in the Mutual Fund.
RJSC	: Registrar of Joint Stock Companies & Firms
Securities	: Units of the Fund
Sponsor	: Sponsor of the Fund i.e., Grameen Bank
STD A/C	: Short Term Deposit Account
Subscription	: Application Money
The Fund	: Capitec Grameen Bank Growth Fund
Unit	: One undivided share of the Fund

FUND HIGHLIGHTS		
01.	Name	Capitec Grameen Bank Growth Fund
02.	Type	Close-End Mutual Fund
03.	Size of the Fund	Tk. 200.00 (Two Hundred) Crores only divided into 200,000,000 units at par value of Tk. 10.00 each.
04.	Sponsor	Grameen Bank
05.	Trustee & Custodian	Investment Corporation of Bangladesh (ICB)
06.	Asset Manager	Capitec Asset Management Limited
07.	Face Value	Tk. 10.00 (Ten) per unit
08.	Nature	Close-End Mutual Fund of 10 (Ten) years tenure. The Fund may be redeemed on its pre-determined maturity at the end of the tenth year, but the Fund can be converted into the Open-End Scheme by taking the acceptance proposal of conversion as per BSEC rule and subject to approval of the Commission.
09.	Objective	The objective of the Capitec Grameen Bank Growth Fund is to generate risk adjusted return in the forms of capital appreciation, dividend income and to provide attractive dividend payments to the unit holders by investing the fund in authorized instruments of capital market and money market.
10.	Prospective Investors	Individuals, Institutions, Non-resident Bangladeshi (NRB), Mutual Funds and Collective Investment Schemes are eligible to invest in this Fund.
11.	Dividend Policy	The Fund as soon as may be, after the closing of the annual accounts, declare and distribute dividend if any, to the unit holders in accordance with the বিধিমালা। Being a "Growth Scheme" in nature, the Fund shall distribute at least 50 (Fifty) percent of the total net profit earned in the respective year or as determined by the Commission from time to time. The Fund shall create a dividend equalization reserve by suitable appropriation from the income of the Fund to ensure consistency in dividend.
12.	Mode of Distribution of Dividend	The dividend shall be distributed within 45 (Forty-Five) days from the date of declaration.
13.	Transferability	Units are transferable. The transfer shall be made by the CDBL under electronic settlement process.
14.	Encashment	The Fund shall be listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange PLC. So, investment in this Fund shall easily be en-cashable.
15.	Tax Benefit	Income shall be tax free up to a certain level, which is permitted as per Income Tax Ordinance 1984. Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance 1984. Gain Tax is fully exempted according to SRO no. 196-Law/Income tax/2015 dated 30 June 2015 of National Board of Revenue.
16.	Report & Accounts	Every unit holder is entitled to receive Annual Report together with the yearly and half-yearly statements of accounts as and when published.

THE SPONSOR, ASSET MANAGEMENT COMPANY OR THE FUND IS NOT GUARANTEEING ANY RETURNS.

ফান্ডের সংক্ষিপ্ত বিবরণী

০১।	নাম	ক্যাপিটেক গ্রামীণ ব্যাংক গ্রোথ ফান্ড
০২	ধরণ	মেয়াদি মিউচুয়াল ফান্ড
০৩	ফান্ডের প্রাথমিক আকার	টাকা ২,০০০,০০০,০০০ (দুইশত কোটি) ২০০,০০০,০০০ (বিশ কোটি) ইউনিটে বিভক্ত যার মূল্য ইউনিটপ্রতি ১০.০০ (দশ) টাকা।
০৪।	উদ্যোক্তা	গ্রামীণ ব্যাংক
০৫	ট্রাস্টি ও হেফাজতকারী	ইনভেস্টমেন্ট কর্পোরেশন অব বাংলাদেশ (আইসিবি)
০৬	সম্পদ ব্যবস্থাপক	ক্যাপিটেক অ্যাসেট ম্যানেজমেন্ট লিমিটেড
০৭।	অভিহিত মূল্য	১০.০০ (দশ) টাকা প্রতি ইউনিট
০৮	ফান্ডের প্রকৃতি	১০ (দশ) বছর মেয়াদি বর্ধিষ্ণু (Growth) মেয়াদি মিউচুয়াল ফান্ড। ফান্ডটির ১০ (দশ) বছরপূর্তি শেষে পূর্ব নির্ধারিত মেয়াদ পূর্তিতে অবসায়ন করা হবে। তবে বি.এস.ইসি বিধি অনুযায়ী উপস্থাপিত রূপান্তর প্রস্তাব কমিশন কর্তৃক অনুমোদিত হলে ফান্ডটি বে-মেয়াদি স্কিমে রূপান্তর করা হতে পারে।
০৯	উদ্দেশ্য	ক্যাপিটেক গ্রামীণ ব্যাংক গ্রোথ ফান্ডের উদ্দেশ্য হচ্ছে মূলধনী লাভ এবং লভ্যাংশের মাধ্যমে ঝুঁকি সমন্বিত রিটার্ন প্রদান করা। এই ফান্ডের মাধ্যমে লভ্যাংশ বিনিয়োগকারীদের দেয়া হয় পুঁজিবাজার, অর্থবাজার ইত্যাদি অনুমোদিত পত্রকোষে বিনিয়োগের মাধ্যমে।
১০।	সম্ভাব্য বিনিয়োগকারী	ব্যক্তি, প্রতিষ্ঠান, অনিবাসী বাংলাদেশি (এনআরবি), মিউচুয়াল ফান্ড এবং সমষ্টিগত বিনিয়োগ স্কিমসমূহ।
১১।	লভ্যাংশ নীতি	হিসাব বছর শেষে বিধিমালা অনুযায়ী ইউনিট হোল্ডারদের জন্য লভ্যাংশ ঘোষণা এবং বিতরণ করা হবে। বর্ধিষ্ণুস্কিম হিসেবে প্রতিটি হিসাব বছর শেষে বার্ষিক মুনাফার ন্যূনতম ৫০ শতাংশ অথবা কমিশন কর্তৃক সময়ে সময়ে নির্ধারিত হারে লভ্যাংশ বিতরণ করা হবে।
১২।	লভ্যাংশ বিতরণ পদ্ধতি	ঘোষণার ৪৫ দিনের মধ্যে লভ্যাংশ বিতরণ করা হবে।
১৩।	হস্তান্তর যোগ্যতা	এই ফান্ডের ইউনিটসমূহ হস্তান্তরযোগ্য যা সিডিবিএল এর ইলেক্ট্রনিক লেনদেন নিষ্পত্তি প্রক্রিয়ার মাধ্যমে সম্পন্ন হবে।
১৪।	নগদায়ন	ফান্ডটি টাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জ এ তালিকাভুক্ত হবে। সুতরাং এই ফান্ডের বিনিয়োগ সহজে নগদায়যোগ্য।
১৫।	কররেয়াত জনিত সুবিধা	ফান্ড হতে অর্জিত আয় আয়কর অধ্যাদেশ ১৯৮৪ অনুসারে নির্দিষ্ট পরিমাণ পর্যন্ত করমুক্ত থাকবে। আয়কর অধ্যাদেশ ১৯৮৪ এর ৪৪ (২)ধারা অনুযায়ী ফান্ডে বিনিয়োগ কররেয়াত সুবিধা ভোগ করবে। জাতীয় রাজস্ব বোর্ড এর ৩০ জুন ২০১৫ তারিখের এস আর ওনম্বর ১৯৬-আইন/আয়কর/২০১৫ অনুযায়ী অর্জিত মূলধনী মুনাফা করমুক্ত থাকবে।
১৬	বার্ষিক প্রতিবেদন এবং হিসাব	প্রত্যেক বিনিয়োগকারী মুদ্রণ সাপেক্ষে বার্ষিক প্রতিবেদনসহ বার্ষিক ও অর্ধ-বার্ষিক আর্থিক হিসাব বিবরণী প্রাপ্য হবেন।

উদ্যোক্তা, অ্যাসেট ম্যানেজমেন্ট কোম্পানি বা ফান্ড কোনো রিটার্নের নিশ্চয়তা প্রদান করছে না।

RISK FACTORS

01.	The performance of the Fund is directly related with the macro-economic situation particularly the capital market of Bangladesh.
02.	Since the capital market of Bangladesh is highly volatile, there is no assurance of achieving the stated objective of the Fund.
03.	Due to small number of listed securities in both the Stock Exchange(s), it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so.
04.	Stock market trend shows that prices of almost all the listed securities move in unpredictable directions, which may affect the value of the Fund. Moreover, there is no guarantee that the market price of unit of the Fund shall fully reflect their underlying net asset values.
05.	If the companies wherein the Fund shall be invested fail to pay expected dividend may affect the return of the Fund.
06.	For investing in Pre-IPO Placement securities i.e., in unlisted securities by the Fund may involve liquidity risk.
07.	Uncertainties like political and social instability may affect the value of the Fund's assets.
08.	Adverse natural climatic conditions may hamper the performance of the Fund.

TABLE OF CONTENTS

Particulars		Page No.
Chapter One	: PRELIMINARY	09-20
	Publication of Prospectus for public offering	09
	Approval of the Bangladesh Securities and Exchange Commission	09
	Listing of Fund	09
	Documents available for inspection	09
	Conditions of PUBLIC OFFER	09
	General Information	17
	Subscription	17
	Declarations	18
	Due Diligence Certificate	20
Chapter Two	: BACKGROUND	24-28
	Formation of CAPITEC GRAMEEN BANK GROWTH FUND	24
	Present context formation of the proposed mutual fund	26
	Advantages of investing in CAPITEC GRAMEEN BANK GROWTH FUND	27
Chapter Three	: THE FUND	27
	The constitution of the Fund	27
	Life of the Fund	27
	Size, Face Value and Market Lot of the Fund	28
Chapter Four	: INVESTMENT OBJECTIVES AND POLICIES	28-34
	Investment Objective	28
	Investment Policies	28
	Investment Restrictions	29
	Investment Approach and Risk Control	29
	Valuation Policy	30
	Accounting for Net Asset Value per Unit of the Fund and Fair Valuation of Financial Instruments	30
	Accounting and Reporting for Provision for Diminution (or Appreciation) in Fair Value of Investments in Financial Assets	32
	NAV	32
	Investment Management	32
	Dividend Policy	33
	Measurement of Earning and Payment of Dividend	33
	Distribution of Dividend and Limits thereof	34
Chapter Five	: RISK MANAGEMENT	34-35
	Risk Factors	34
	Expected Market Performance of the Fund	35
	Who to invest and how much to invest	35
Chapter Six	: FORMATION, MANAGEMENT AND ADMINISTRATION	35-39
	Sponsor of the Fund	35
	Trustee of the Fund	35
	Asset Manager of the Fund	35
	Custodian of the Fund	38
	Investment Committee (IC)	38
	Auditors	39
Chapter Seven	: FINANCIAL CHARGES	39-42
	Expense of The Fund	39
	Limitation of Expenses	39

	Fees and Expenses	40
	Issue and Formation Expenses	40
	Management Fee	41
	Trustee Fee	42
	Custodian Fee	42
	Fund Registration and Annual Fee	42
	CDBL Fee	42
	Listing Fee	42
	Audit Fee	42
	Brokerage Fee	42
	Other Expenses	42
Chapter Eight	: CAPITAL STRUCTURE, TAX STATUS AND RIGHTS OF UNIT HOLDERS	43-44
	Issue of Units	43
	Capital Structure	43
	Tax exemption	44
	Rights of the Unit holders	44
	Beneficial Interest	44
Chapter Nine	: REDEMPTION / WINDING UP AND CONVERSION POLICY	45-45
	Procedure of Winding up	45
	Manner of Winding up and Redemption	45
	Effect of Winding up	45
	Conversion of the Fund	45
Chapter Ten	: CONDITIONS FOR PUBLIC OFFER, ALLOTMENT, SUBSCRIPTION AND REFUND OF UNITS	46-47
	Disclosure in respect of issuance of Security Demat Form	46
	Issue of Units	46
	Minimum Subscription for the issue	46
	Conditions of Allotment	46
	Application for Subscription	47

CHAPTER -1

PRELIMINARY

1.1 PUBLICATION OF PROSPECTUS FOR PUBLIC OFFERING

Capitec Asset Management Limited has received Registration Certificate from the Bangladesh Securities and Exchange Commission (BSEC) under the বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ and the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ made there under and received approval for issuing Prospectus for public offering. A complete copy of the Prospectus of the public offering is available for public inspection at the registered office of the Fund.

1.2 APPROVAL OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (BSEC)

“APPROVAL OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THE FUND UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969 AND THE সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE FUND, ANY OF ITS SCHEMES OR THE ISSUE PRICE OF ITS UNITS OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ASSET MANAGER, TRUSTEE, SPONSOR AND/OR CUSTODIAN.”

1.3 LISTING OF FUND

Declaration about Listing of Shares with the Stock Exchange(s):

“None of the Stock Exchange(s), if for any reason, grants listing within **20 (Twenty)** working days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Asset Manager shall refund the subscription money within **15 (Fifteen)** days from the date of refusal for listing by the Stock Exchange(s), or from the date of expiry of the said **20 (Twenty)** working days, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen)** days, the Asset Manager, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (Two percent)** above the bank rate, to the subscribers concerned.

The Asset Manager, in addition to the Sponsor and Trustee, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven)** days of expiry of the aforesaid **15 (Fifteen)** days’ time allowed for refund of the subscription money.

The stock exchanges shall complete the listing procedure and start of trading of securities within **20 (Twenty)** working days from the closure of subscription.”

1.4 DOCUMENTS AVAILABLE FOR INSPECTION

- (01) Copy of this Prospectus shall be available at the Members of the Stock Exchanges, website, and the registered office of the Capitec Asset Management Limited (www.capitecbd.com) and available at the website of Bangladesh Securities and Exchange Commission (www.secdbd.org).
- (02) Copy of the Trust Deed and Investment Management Agreement will be available for the public to be inspected during the business hours at the Corporate Office of the Asset Management Company of the Fund.

1.5 CONDITIONS OF PUBLIC OFFER (PO)

The following further conditions are mentioned under Part A, B, C, and D namely:

PART-A

- (01) The Fund shall go for Initial Public Offer (IPO) for 100,000,000 (Ten Crore) ordinary shares at Tk. 10.00 each at par totaling to Tk. 1,000,000,000 (One Hundred Crore) following the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the ডিপজিটরি আইন, ১৯৯৯ and regulations issued there under;
- (02) The abridged version of the prospectus, as approved and vetted by the Commission, shall be published by the AMC in **02 (Two)** national daily newspapers (Bangla and English), within **05 (Five)** working days from the date of issuance of this consent letter. The AMC shall post the full prospectus, vetted by Commission, in the AMC's website and shall also put on the websites of the Commission, stock exchanges, and the AMC within **02 (Two)** working days of publication of abridged version of prospectus in the newspaper and shall remain posted till the closure of the subscription list. The AMC shall submit to the Commission and the stock exchanges a diskette containing the text of the vetted prospectus in "MS -Word" format;
- (03) Sufficient copies of the Prospectus shall be made available by the AMC so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a Prospectus, if they so desire, and that copies of Prospectus may be obtained from the AMC. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until **20 (Twenty)** working days after the Prospectus has been published;
- (04) The AMC shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **05 (Five)** working days from the date of publication of the abridged version of the prospectus in the newspapers;
- (05) The AMC shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **05 (Five)** working days from the date of publication of the abridged version of the prospectus in the newspapers. A compliance report shall be submitted in this respect to the Commission by the AMC within **02 (Two)** working days from the date of publication of the abridged version of the prospectus in the newspapers;
- (06) The paper clipping of the published Prospectus/abridged version of the Prospectus, all other published documents/notices regarding the Scheme shall be submitted to the Commission within **24 (Twenty-Four)** hours of publication thereof;
- (07) The AMC shall maintain a separate bank account(s) for collecting proceeds of the Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non-Resident Bangladeshis (NRBs) for Public Offer purpose and shall incorporate full particulars of said FC account(s) in the Prospectus. The AMC shall open the above-mentioned accounts for Public Offer purpose and close these accounts after refund of over-subscription money. Non-Resident Bangladeshis (NRBs) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from concerned Bangladesh Embassy/High Commission to the effect that no visa is required for traveling to Bangladesh;
- (08) The AMC shall ensure prompt collection/clearance of the foreign remittances of NRBs for allotment of units without any difficulty/complain;

(09) The AMC shall apply to all the stock exchanges in Bangladesh for listing within **7 (Seven)** working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the stock exchanges and shall also submit copy of the listing application to BSEC;

(10) The following declaration shall be made by the AMC in the prospectus, namely:

a. **Declaration about Listing of Shares with the Stock Exchange(s):**

“None of the Stock Exchange(s), if for any reason, grants listing within **20 (Twenty)** working days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Asset Manager shall refund the subscription money within **15 (Fifteen)** days from the date of refusal for listing by the Stock Exchange(s), or from the date of expiry of the said **20 (Twenty)** working days, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen)** days, the Asset Manager, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (Two percent)** above the bank rate, to the subscribers concerned.

The Asset Manager, in addition to the Sponsor and Trustee, shall ensure due compliance of the above-mentioned conditions and shall submit compliance report thereon to the Commission within **7 (Seven)** days of expiry of the aforesaid **15 (Fifteen)** days’ time allowed for refund of the subscription money.

The stock exchanges shall complete the listing procedure and start of trading of securities within **20 (Twenty)** working days from the closure of subscription.”

(11) Each General Applicant (General Public and Non-resident Bangladeshi applicants) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of **Tk. 50,000/- (Taka Fifty Thousand only)** in the listed securities (matured securities) at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by **5 (Five)** working days from the first day of starting the subscription. **The application amount shall be Tk. 10,000/- (Taka Ten Thousand only) or multiple of it.** Exchanges shall send the list of BO Accounts who have applied in the IPO to the Central Depository Bangladesh Limited (CDBL). CDBL shall verify the list of BO Accounts provided by the Exchanges regarding investment of general applicants in listed securities.

(12) The subscription list shall be opened, and the sale of securities commenced after **20 (twenty)** working days of the publication of the abridged version of the prospectus.

(13) The IPO shall stand cancelled in case of under-subscription collectively above **35% (Thirty five percent)** or if/in case at least **50% (fifty percent)** of the targeted amount is not subscribed. In such an event, the AMC shall inform the Commission within **02 (two)** working days and release the subscription money within **07 (seven)** working days after receiving verification report from CDBL and the information from exchanges regarding subscription;

(14) If the AMC fails to collect the minimum **50% (fifty percent)** of the targeted amount, the AMC shall refund the subscription money within **30 (thirty)** days from the closure of subscription without any deduction. In case of failure, the AMC shall refund the same with an interest **@ 18% per annum** from its own account within the next month according to বিধি ৪৮ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১,

- (15)
- a. The AMC should ensure compliance of the বিধি ৪৬ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১,
 - b. The Scheme will be formed, and the subscribed money should be transferred from the Escrow Account to Operational Account of the Fund if it complies the বিধি ৪৬ of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.
- (16)
- a. **Under Eligible Investors (EIs): 5% (five percent) of total public offering shall be reserved for Mutual Funds and 20% (twenty percent) of total public offering shall be reserved for other Eligible Investors (including CISs);**
 - b. **5% (five percent) of total public offering shall be reserved for Non-Resident Bangladeshis (NRBs), and the 70% (seventy percent) shall be reserved for subscription by others General public.**
- (17) An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications shall be treated as invalid and shall not be considered for allotment purpose. In addition, **15% (fifteen)** of the application money shall be forfeited and deposited to the Commission by the exchange(s) and the balance amount shall be refunded to the applicant;
- (18) The applicants who have applied for more than two applications using same bank account, their applications shall not be considered for allotment purpose. In addition, **15% (fifteen)** of their subscription money shall be forfeited and deposited to the Commission by the exchange(s). The balance amount shall be refunded to the applicants;
- (19) Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of **25% (Twenty five)** of the application money and/or forfeiture of share (unit) before or after issuance of the same by the AMC. The said forfeited application money or sale proceeds of forfeited shares (unit) shall be deposited to the Commission by the exchange(s). This is in addition to any other penalties as may be provided for by the law;
- (20) **Public Offer Distribution System:**
- a. **Out of public offering Tk. 20.00 Crores reserved for Eligible Investors (including CISs), Tk. 5.00 Crores reserved for Mutual Funds, Tk. 5.00 Crores for Non-Resident Bangladeshis (NRBs) and Tk. 70.00 Crores for others;**
 - b. All securities/units stated in para (a) shall be offered for subscription and subsequent allotment by the Asset Management Company subject to any restriction which may be imposed from time to time by the Bangladesh Securities and Exchange Commission;
 - c. If the public offer is under-subscribed by any category of investors, the under-subscribed portion of the offer can be subscribed by the oversubscribed portion, if any, of another category of investors on a pro-rata basis.
- (21) The AMC shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the Fund will be listed, within **24 (Twenty-Four) hours** of allotment;
- (22) Each Eligible Investor (EI) who intends to submit application through the Electronic Subscription System (ESS) of the exchange(s) shall maintain a minimum investment of **Tk. 15,000,000 (Taka one crore fifty**

lac) for approved pension funds, recognized provident funds and approved gratuity fund and other EIs of **Tk.30,000,000 (Taka three crore)** in the listed securities (matured securities) at market price (the close price of both Exchanges whichever is higher) as on the end of a working day which is immediately preceded by **5 (five)** working days from the first day of starting the bidding as per clause (e) of sub-rule (1) of rule 2 of the Bangladesh Securities and Exchange Commission (Public Page 4 of 7 Issue) Rules, 2015. Exchanges shall send the list of BO Accounts who have applied in the IPO to the Central Depository Bangladesh Limited (CDBL). CDBL shall send a report to the Exchanges on the basis of the list of BO Accounts provided by the Exchanges regarding holding of EIs in listed securities and the Exchange shall ensure the compliance in this regard;

- (23) Unit certificates for **100% of the Sponsor's contribution** amount to **Tk. 1,000,000,000 (One Hundred Crores)** shall be subject to a lock-in period of **01 (one) year** from the date of listing in the Stock Exchange(s) and then **1/10th** of the Sponsor's contribution only shall be subject to a lock-in period of full tenure of the Fund;
- (24) All Pre-IPO placement will be in **6 (six) months lock-in** period from the date of listing of the Fund;
- (25) The Scheme shall maintain **escrow bank account** for the proceeds of public offering. The Fund collected through public offering shall not be utilized prior to the allotment and shall be effected through banking channel i.e., through account payee cheque, pay order, bank draft etc.;
- (26) The Fund shall not be involved in option trading, short selling or carry forward transactions;
- (27) A duly audited annual financial statements including statement of financial position, statement of profit or loss and other comprehensive income, statement of cash flows, statement of changes in unit holders' equity, and accompanying accounting policies and notes to the financial statements of the fund, and for each scheme of the Fund, once a year, shall be submitted to the Commission, Trustee and Custodian **within 03 (three) months** from the end of the financial year;
- (28) A half-yearly financial statement shall be submitted to the Commission along with the Exchanges and published in at least one national daily newspaper within **30 (thirty) days** from the end of the period;
- (29) A quarterly un-audited financial statement shall be submitted to the Commission and published on its websites within **30 (thirty) days** from the end of the quarter of the financial year;
- (30) A monthly statement of portfolios, including changes therein from the previous period shall be submitted to the Commission within **07 (seven) days** from the end of the month;
- (31) The Fund shall, before expiry of **07 (seven) days** from the end of each month, disclose for all unit holders a complete statement of portfolios of the Fund, or a scheme of the Fund, in the prescribed form and shall upload the same on its website;
- (32) An annual report and details of investment and savings of the Fund shall be submitted to the Commission, Trustee and Custodian of the Fund within **90 (ninety) days** from the closure of the accounts;
- (33) Dividend shall be paid within **45 (Forty five) days** of its declaration, and a report shall be submitted to BSEC, Trustee and Custodian within **7 (seven) days** of dividend distribution;

- (34) Net Asset Value (NAV) of the Fund shall be calculated at fair value on a daily basis and be disclosed to the Commission along with the Exchanges and in the website of the AMC;
- (35) BSEC may appoint auditors for special audit/investigation on the affairs of the Fund if it so desires.

PART-B
Application Process

Step-1 (Applicant):

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e., the subscription closing date), which shall be the **25th (Twenty fifth) working day** from the date of publication of an abridged version of the prospectus;

2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant.;

a) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s);

b) The General Public and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

Step-2 (Intermediary):

3. The registered Stock broker/Merchant Banker in the ESS shall:

a) Post the amount separately in the customer account equivalent to the application money;

b) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account.

4. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within **3 (Three) working days** from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s);

5. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to **6 (Six) months** from listing of the securities with the exchange;

6. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria;

7. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report;

8. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications within **5 (Five) working days**;

9. **Within next working day**, the Exchanges shall provide the Commission and the AMC with the soft copy of subscription result.

Step-3 (AMC of Mutual Fund):

10. The AMC shall post the final status of subscription on their **websites within 6 (Six) hours** and on the websites of the Commission and Exchanges **within 12 (Twelve) hours** of receiving information by the Commission and the Exchanges;

11. Within **3 (Three) working days** of receipt of the subscription result, the AMC and Exchanges shall:

a) Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;

b) Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;

c) The AMC shall issue allotment letters in the names of allottees in electronic format and

d) The AMC shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

Step-4 (Intermediary):

12. **On the next working day**, Exchanges shall:

a) remit the number of allotted applicants to the AMC's respective Escrow Account opened for subscription purpose;

b) send the penalty amount who are subject to penal provisions to the AMC's respective Escrow Accounts along with a list; and

c) distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.

13. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

Miscellaneous:

14. The AMC, Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above;

15. The AMC shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of **Tk. 200,000 (Taka Two Lac)** only and **Tk. 800,000 (Taka Eight Lac)** only for processing the applications of General Public and Non-Resident Bangladeshi (NRB) applicants if the subscription amount crosses the IPO amount by 4 (four) times or above;

16. The Stockbroker/Merchant Bankers shall be entitled to a service charge of **Tk. 5/- (Taka Five)** only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application;

17. The Exchanges shall provide the AMC with a statement of the remittance;

18. The AMC shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission;

19. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The AMC (i.e. Capitec Asset Management Limited) shall ensure that the prospectus/abridged version of prospectus is published correctly and in strict conformity without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission;

2. The AMC shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the AMC shall publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the Exchanges concerned. In this regard, the AMC shall submit a compliance report to the Commission within **5 (Five) working days** from the date of such publications;

3. The Fund collected through Initial Public Offer shall not be utilized prior to listing with the Exchange(s) and that utilization of the said fund shall be affected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.;

4. The Sponsor and the AMC shall immediately after publication of prospectus jointly inform the Commission in writing that the published prospectus/abridged version of the prospectus is a verbatim copy of the prospectus vetted by the commission;

5. The sponsor and the AMC shall simultaneously submit to the Commission an attested copy of the application filed with Stock Exchange(s) for listing of the securities.

PART-D

1. As per provision of the ডিপজিটরি আইন, ১৯৯৯ & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Limited (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only;

2. The AMC shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015', the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and the listing regulations of the Exchanges;

Please ensure that the following is also adhered to:

1. After due approval by the Trustee regarding issue and formation expenses, the AMC shall submit in details along with supporting documents to the Commission regarding issue and formation expenses within **15 (fifteen) days** of operation of the Fund. The Auditor of the fund shall also put opinion about the above expenses in the initial financial statements of the fund;

2. The Investment Policy and Guidelines and information on constituent of Investment Committee of the Fund approved by the Board shall be submitted to the Commission within **30 (Thirty) days** from the received of the consent letter. The Investment Policy and Guideline shall include, among others, the investment delegation power of the Managing Director/Chief Executive Officer and the Committee separately along with meeting resolution regarding process;
3. Bank Statement along with the subscribers list, copies of agreements with Custodian and Selling Agents (if applicable) shall be submitted to the Commission within **15 (Fifteen) days** of the completion of the subscription;
4. The enclosed draft prospectus and abridged version of prospectus, as submitted by you and vetted by the Commission, shall be revised to ensure that all the conditions/information in the prospectus and abridged version of prospectus are inconformity with this letter of approval;
5. All the above-imposed conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the Prospectus/abridged version immediately after the page of the table of contents where applicable, with a reference in the table of contents, prior to its publication;
6. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Sponsor, Asset Management Company, Trustee and Custodian.

General Information

- (01) This Prospectus has been prepared by Capitec Asset Management Limited based on the Trust Deed executed between the Trustee & the Sponsor of the Fund, which is approved by the Commission. The information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
- (02) No person is authorized to give any information to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Capitec Asset management Limited.
- (03) The issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the court of Bangladesh. Forwarding this Prospectus to any person residing outside Bangladesh in no way implies that the issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

1.6 SUBSCRIPTION

Subscription to the Capitec Grameen Bank Growth Fund shall open on **September 24, 2023** and shall be closed at the end of the banking business on **October 01, 2023**.

1.7 DECLARATIONS

Declaration about the responsibility of the Sponsor

The Sponsor of the CAPITEC GRAMEEN BANK GROWTH FUND accepts the full responsibility and confirms the authenticity and accuracy of the information contained in this Prospectus and other documents regarding the Fund. To the best of the knowledge and belief of the Sponsor, who has taken all reasonable care to ensure that all conditions and requirements concerning this public issue and all the information contained in this document, drawn up by virtue of the Trust Deed of the Fund by the entrusted AMC, have been met and there is no other information or documents the omission of which may make any information or statements therein misleading.

The Sponsor also confirms that full and fair disclosures have been made in this Prospectus to enable the investors to make an informed decision for investment.

Sd/-

Md. Mosleh Uddin
Managing Director
Grameen Bank

Declaration about the responsibility of the Asset Management Company

This Prospectus has been prepared by us based on the Trust Deed, Investment Management Agreement, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, the ডিপজিটরি আইন, ১৯৯৯ and other related agreement & examination of other documents as relevant for adequate disclosure of the Fund's objectives and investment strategies to the investors.

We also confirm that:

- (a) This Prospectus is in conformity with the documents, materials and papers related to the offer;
- (b) All the legal requirements of the issue have been duly fulfilled; and
- (c) The disclosures made are true, fair, and adequate for investment decisions.

Investors should be aware that the value of investments in the Fund could be volatile and as such no guarantee can be made about the returns from the investments that the Fund shall make. Like any other equity investment, only investors who are willing to accept a moderate amount of risk, should invest in the Fund. Investors are requested to pay careful attention to the "Risk Factors" and to take proper cognizance of the risks associated with any investment in the Fund.

Sd/-

M. Mahfuzur Rahman
Managing Director
Capitec Asset Management Limited

Declaration about the responsibility of the Trustee

We, as Trustee of the CAPITEC GRAMEEN BANK GROWTH FUND, accept the responsibility and confirm that we shall:

- (a) Be the guardian of the Fund, held in trust for the benefit of the unit holders in accordance with the Rules and Trust Deed;
- (b) Always act in the interest of the unit holders;
- (c) Take all reasonable care to ensure that the Fund floated and managed by the Asset Management Company are in accordance with the Rules and Trust Deed;
- (d) Make sure that there is no contradiction between the prospectus, Trust Deed and সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১;
- (e) Make such disclosure by the Asset Management Company to the investors as are essential in order to keep them informed about any information, which may have any bearing on their investments;
- (f) Take such remedial steps as are necessary to rectify the situation where we have reason to believe that the conduct of the business of the Fund is not in conformity with the relevant Rules.

Sd/-

Md. Shariqul Anam

Deputy General Manager

Trustee Division

Investment Corporation of Bangladesh

Declaration about the responsibility of the Custodian

We, as Custodian of the CAPITEC GRAMEEN BANK GROWTH FUND, accept the responsibility and confirm that we shall:

- i. Keep all the securities in safe custody and shall provide the highest security for the assets of the fund; and
- ii. Preserve necessary documents and record so as to ascertain movement of assets of the Fund as per সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

Sd/-

Md. Shariqul Anam

Deputy General Manager

Trustee Division

Investment Corporation of Bangladesh

1.8 DUE DILIGENCE CERTIFICATES

Due diligence certificate by Sponsors চতুর্থ তফসিল-(১)এর(জ)[বিধি ৪৩(৩)দ্রষ্টব্য]

The Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban,
Plot: E-6/C, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207,
Bangladesh

Subject: **CAPITEC GRAMEEN BANK GROWTH FUND.**

We, the sponsors of the above-mentioned forthcoming mutual fund, state as follows:

1. We, as the sponsors to the above-mentioned fund, have examined the draft prospectus and other documents and materials as relevant to our decision; and
2. We warrant that we shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা ,২০০১, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Trust Deed of the Fund and the rules, orders, guidelines, directives, notifications, and circulars that may be issued by Commission from time to time in this respect.

WE CONFIRM THAT:

- a) All information in the draft prospectus forwarded to the Commission is authentic and accurate;
- b) We as sponsor of the fund as mentioned above will act as per clauses of the trust deed executed with the trustee and shall assume the duties and responsibilities as described in the trust deed and other constitutive documents;
- c) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা ,২০০১, and conditions imposed by the Commission as regards of the fund; and
- d) We shall act to our best for the benefit and interests of the unit holders of the fund.

For Sponsors

Sd/-

Md. Mosleh Uddin
Managing Director
Grameen Bank

Due diligence certificate by Asset Management Company

চতুর্থ তফসিল-(১)এর(জ)[বিধি ৪৩(৩)দ্রষ্টব্য]

The Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban,
Plot: E-6/C, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207,
Bangladesh

Subject: **CAPITEC GRAMEEN BANK GROWTH FUND.**

We, the Asset Manager of the above mentioned forthcoming mutual fund, state as follows:

1. We, while act as asset manager to the above-mentioned mutual fund, declare and certify that the information provided in the prospectus, is complete and true in all respects;
2. We further certify that we shall inform the Bangladesh Securities and Exchange Commission immediately of any change in the information of the fund; and
3. We warrant that we shall comply with the Securities and Exchange Ordinance, 1969, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) The draft prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the fund;
- b) All the legal requirements connected with the said fund have been duly complied with; and
- c) The disclosures made in the draft prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed fund.

For Asset Manager

Sd/-

M. Mahfuzur Rahman

Managing Director

Capitec Asset Management Limited

Due diligence certificate by Trustee
চতুর্থ তফসিল-(১)এর(জ)[বিধি ৪৩(৩)দ্রষ্টব্য]

The Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban,
Plot: E-B/C, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207,
Bangladesh

Subject: **CAPITEC GRAMEEN BANK GROWTH FUND.**

We, the under-noted trustee to the above-mentioned forthcoming mutual fund, state as follows:

1. We, while act as trustee to the above-mentioned fund on behalf of the investors, have examined the draft prospectus and other documents and materials as relevant to our decision; and
2. We warrant that we shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, Dhaka Stock Exchange (Listing) Regulations, 2015, Chittagong Stock Exchange (Listing) Regulations, 2015, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect

WE CONFIRM THAT:

- a) All information and documents as are relevant to the issue have been received and examined by us and the draft prospectus forwarded to the Commission have been approved by us;
- b) We have also collected and examined all other documents relating to the fund;
- c) While examining the above documents, we find that all the requirements of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, have been complied with;
- d) We shall act as trustee of the fund as mentioned above as per provisions of the trust deed executed with the sponsor and shall assume the duties and responsibilities as described in the trust deed and other constitutive documents;
- e) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and conditions imposed by the Commission as regards of the fund; and
- f) We shall act to our best for the benefit and sole interests of the unit holders of the fund.

For Trustee

Sd/-

Md. Shariqul Anam
Deputy General Manager
Trustee Division
Investment Corporation of Bangladesh

Due diligence certificate by Custodian
চতুর্থ তফসিল-(১)এর(জ)[বিধি ৪৩(৩)দ্রষ্টব্য]

To
The Chairman
Bangladesh Securities and Exchange Commission
Securities Commission Bhaban
E-6/C, Agargaon
Sher-e-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh.

Subject: **CAPITEC GRAMEEN BANK GROWTH FUND.**

We, the under-noted custodian to the above-mentioned forthcoming mutual fund, state as follows:

1. We, while acting as custodian to the above mentioned fund on behalf of the investors, shall comply with the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, Depository Act, 1999, Depository Regulation, 2000, Depository (User) Regulation, 2003, Trust Deed of the Fund and the Rules, guidelines, circulars, orders and directions that may be issued by the Bangladesh Securities and Exchange Commission from time to time in this respect.

WE CONFIRM THAT:

- a) We will keep all the securities (both listed and Non-listed) and Assets of the “CAPITEC GRAMEEN BANK GROWTH FUND” including FDR receipts in safe and separate custody as per বিধি ৪১ of সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and will provide highest security for the assets of the Fund;
- b) We shall act as custodian of the fund as mentioned above as per provisions of the custodian agreement executed with the asset management company and shall assume the duties and responsibilities as described in the trust deed of the mentioned fund and other constitutive documents;
- c) We shall also abide by the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১, and conditions imposed by the Commission as regards of the fund; and
- d) We shall act to our best for the benefit and sole interests of the unit holders of the fund.

For Custodian,

Sd/-

Md. Shariqul Anam
Deputy General Manager
Trustee Division
Investment Corporation of Bangladesh

CHAPTER-2

BACKGROUND

2.1 Formation of CAPITEC GRAMEEN BANK GROWTH FUND

A closed-end fund is a type of professionally managed fund having a defined portfolio based on a fixed number of shares issued at an initial public offering, listed on the exchange for trading in the secondary market, and are not redeemable from the funds. By investing in a fund, the investors gain access to a thoroughly researched and professionally managed capital market portfolio, thereby increasing their diversity and reducing the overall risk associated with the capital market investments. Such funds allow the small investor to reap the benefits of a large diversified and professionally managed portfolio.

Bangladesh's robust economic recovery from the COVID-19 pandemic has been interrupted by the war in Russia-Ukraine, resultant supply-chain disruptions, global oil-and food-price spikes, slowdown in external demand, weak remittance inflow, rise in inflation, negative current account balance, depreciation of the Taka and a decline in foreign exchange reserves. To overcome the pressure, the government took quick and decisive measures to address the economic fallout.

According to the latest available data indicate that the agriculture sector employed about 39 per cent of Bangladesh's labor force and accounted for about 11.61 per cent of GDP in FY22. The favorable natural factors and strong government support in terms of timely availability of inputs and finance notwithstanding, the sector achieved a lower growth rate of 3.05 per cent in FY22 than in FY21 when the sector grew at 3.17 per cent.

Due to COVID-19 pandemic and the war in Russia-Ukraine, the industrial sector registered a lower growth of 9.86 per cent in FY22, which was 10.29 per cent in FY21. Besides, the share of the industry sector in GDP increased by 0.91 percentage points to 36.92 per cent in FY22 from 36.01 per cent in FY21. In the broad industry sector, the manufacturing sub-sector registered a growth of 11.41 per cent in FY22, compared to 11.59 per cent of the previous fiscal year. Within manufacturing, the large industry sub-sector performed comparatively better than it did in the previous fiscal, growing at 15.68 per cent in FY22, compared to 10.61 per cent in FY21. The small, medium and micro industry grew at 4.84 per cent in FY22 against 13.89 per cent in FY21. The cottage industry grew by 11.12 per cent in FY22 compared to 10.27 per cent in FY21.

Broad money (M2) recorded a lower growth of 8.47 percent at the end of December 2022 compared to 9.60 percent growth achieved at the end of December 2021. The December's growth was also below the central bank's target of 10.00 per cent, set in the Monetary Policy Statement, Fiscal Year 2022-23 Domestic credit, on the other hand, grew by 14.98 per cent at the end of December 2022, while a lower growth rate of 12.37 per cent was recorded at the end of December 2021. Among components of domestic credit, private sector credit registered a higher growth of 12.89 per cent during the period between December 2021 and December 2022, compared with a lower growth of 10.68 per cent during the period between December 2020 and December 2021. Private sector credit growth was also below the central bank's target of 13.60 per cent in December 2022. Public sector credit, on the other hand, recorded a growth of 24.80 per cent at the end of December 2022, compared with a lower growth of 21.00 per cent at the end of December 2021. The December's growth was much lower compared with the BB's target of 32.30 per cent in December 2022.

The interest rate spread between the weighted average interest rate on lending and deposits of all banks inched up to 2.99 per cent in December 2022 from 2.96 per cent in the previous month (November 2022) as banks' lending rate increased to 7.22 per cent in December from 7.18 per cent in November 2022 and deposit rate also increased to 4.23 per cent in December 2022 from 4.22 per cent in the previous month.

Dhaka stocks gained on 29 December 2022, the last trading session in 2022, as a section of investors went for buying shares while many others remained cautious on the trading floor. DSEX, the key index of the Dhaka Stock Exchange (DSE), gained 0.18 per cent to close at 6,206.81 points on the day after gaining 15.54 points in the previous session. The Chittagong Stock Exchange (CSE) also inched up with the CSE All Share Price Index (CASPI) gaining 1.0 points to settle at 18,328.

Export earnings in December 2022 grew by 9.33 per cent to US\$5.37 billion year-on-year from US\$4.91 billion. Earnings in December 2022, however, were lower by 1.03 per cent from the strategic target of US\$5.42 billion. Overall export earnings in July-December of FY23 increased by 10.58 per cent to US\$27.31 billion from US\$24.70 billion in the corresponding six months of the previous fiscal year. Earnings in July-December of FY23 also surpassed marginally by 0.44 per cent against the strategic target (US\$27.19 billion).

The inflow of remittances increased year-on-year by 9.99 per cent to US\$1.79 billion in December 2022 from US\$1.63 billion and month-on-month increased by 12.48 per cent from US\$1.60 billion. On the other hand, the inflow of remittances in July-December of FY23 increased by 3.40 per cent to US\$10.59 billion from US\$10.24 billion in the correspondent period in FY22.

The country's trade deficit with the rest of the world narrowed by 21.69 per cent to US\$12.30 billion in July-December of FY23 from US\$15.71 billion in July-December of FY22 due mainly to slower growth in import than that of export. Import restrictions come to the rescue as current account deficit decreased by 36.48 per cent to US\$5.27 billion from US\$8.30 billion.

Monthly inflation dropped further in December 2022 to 8.71 per cent after reaching its peak at 9.52 per cent in August 2022 and 8.85 per cent in November 2022, under sobering impact of slowly improving global supply system and prices of food items, especially that of vegetables, eased marginally. A year ago, in December 2021, the inflation rate was lower at 6.05 per cent.

Source: 'Review of Economic Situation in Bangladesh October - December 2022 (Q2 of FY23)', MCCI

Mutual fund industry in Bangladesh still is in a very early stage of development when the economy of the country is racing in excellent pace. Investment Corporation of Bangladesh (ICB), a public sector financial institution, first introduced Mutual Fund in Bangladesh around 1980. Since then, a substantial number of asset management companies got license and forming the mutual fund industry. According to the latest BSEC data, 58 registered Asset management companies in the countries are managing 121 mutual funds in total. Among them, there are 36 close end and 85 open end funds floating in the market. The total assets under management (AUM) of closed-end mutual funds are 57 billion and Market Capitalization is 37 billion which is far below from the neighboring country.

Mutual Funds' contribution is bigger than other securities in developed countries. Keeping in view the situation, Grameen Bank is sponsoring a Close-end Mutual Fund namely "CAPITEC GRAMEEN BANK GROWTH FUND" aiming to long-term development and increase the supply of liquidity to the capital market and providing investment alternative for the existing retails investors in Bangladesh. It will also encourage new investors to join in and enjoy the returns of the capital market with minimal risk. Investment Corporation of Bangladesh will be the Trustee and Custodian of the Fund whereas Capitec Asset Management Limited will act as the Asset Manager.

In Bangladesh, with the aim of accelerating the Mutual Fund industry and Capital Market of Bangladesh, Capitec Asset Management Limited is managing 03 (Three) Open-End Mutual Funds. At the inception period, the Asset Under Management (AUM) of the abovementioned funds together was BDT. 10 Crore (Approx.) which has now increased to approximately BDT. 104 Crore because of consistent effort, professionalism, and

efficiency of the management. The funds have been consistently providing dividends despite a critical pandemic worldwide, where the global economy was halted. From the funds' inception period, the company generated 33.50%, 43.40%, and 17.90% returns respectively from Capitec Padma P.F. Shariah Unit Fund, Capitec Popular Life Unit Fund, and Capitec-IBBL Shariah Unit Fund.

Dividend History of Open-End Mutual Funds managed by Capitec Asset Management Limited:

Fund Name	Year Closing	Dividend (%)
Capitec Padma P.F. Shariah Unit Fund	2021-2022	12.50%
	2020-2021	7.00%
	2019-2020	5.00%
	2018-2019	3.00% (Few Months Operation)
Capitec Popular Life Unit Fund	2021-2022	15.00%
	2020-2021	15.00%
	2019-2020	2.00% (Few Months Operation)
Capitec-IBBL Shariah Unit Fund	2022	10.00%
	2021	10.00% (10 Months Operation)

2.2 Present context formation of the proposed mutual fund

Mutual fund has emerged as the effective investment vehicle for those who like to rely on professional fund manager for investment management as it has been tested over time all around the world in both developed and emerging economies. Over the past decade, mutual funds have become the investors' vehicle of choice for long-term investing. A Mutual Fund pools the savings of a number of investors who share a common financial goal. Mutual Fund is one of the most preferred investment alternatives for the risk avert investors as it offers chance to invest in a diversified, professionally handled portfolio at low cost. With emphasis on increase in domestic savings and increase in investment through capital market, the need and scope for mutual fund operation has increased tremendously. Growth and developments of various mutual fund products has demonstrated to be one of the most important instruments in generating significant growth in Bangladesh capital market. A mutual fund invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments.

Mutual funds have emerged as the best in terms of variety, flexibility, diversification, liquidity as well as tax benefits. Besides, through mutual funds investors can gain access to wide range of investment opportunities that would otherwise be unavailable to them due to limited knowledge and resources. Mutual funds have the capability to provide solutions to most investors' needs, however, the key is to do proper selection and have a process for monitoring and controlling. In Bangladesh, the mutual fund industry is at a growing stage and it is expected to incorporate a higher number of new funds each year. For broadening the depth of the capital market, it is necessary to float more mutual funds, since these are good instruments of mobilizing savings and providing investment opportunities to small savers.

Bangladesh is expected to register significant growth and some of the sectors and companies within are likely to be beneficiary of this growth, as well. In this backdrop, this is perhaps more suitable time to invest in the leading growth potential sectors/industries of Bangladesh. The idea of mutual fund is to help transform the capital market from a speculative hub to a savings hub.

It can be said that in course of time mutual fund shall play a vital role in our capital market because of its inherent strength of being a professionally managed investment vehicle and the small individual investors shall gradually go under the umbrella of professional fund managers like those in any other emerging market.

2.3 Advantages of investing In CAPITEC GRAMEEN BANK GROWTH FUND

Generally investment in Mutual Funds enjoys the some advantages compared to investment made directly in other securities of the capital market. Investors of this Mutual Fund should be able to enjoy the following advantages:

- (01) Diversified portfolio to be developed for the Fund shall help in lowering investment risk of the small investors.
- (02) Diversified portfolio of the Fund shall help the small investor to access to the whole market, which is difficult at individual level.
- (03) By channelizing small investors saving both in local currency and foreign currency shall add liquidity to the market.
- (04) As the Fund shall be professionally managed, investors shall be relieved from the emotional stress associated with day-to-day management of individual investment portfolio.
- (05) The Mutual Fund industry gives investors more and better information than any other investment industry.
- (06) Expertise in stock selection and timing is made available to investors by generating higher return to them.
- (07) The investors shall be able to save a great deal in transaction/operating cost as he/she has access to a larger number of securities by purchasing a single unit of the Mutual Fund.
- (08) Fund shall apply for listing on stock exchanges to enable investors to enjoy liquidity of their investment as well as to realize appreciation available as a result improving market positions.
- (09) According to the rules of BSEC, the Mutual Funds and collective investment schemes registered with the Commission enjoy a five percent reserve quota in all Initial Public Offerings (IPOs). Therefore, investors in Mutual Funds by default enjoy the benefit of acquiring lucrative stocks at the Primary Market.
- (10) Tax exemption is available for investors of Mutual Fund. Income from the Fund shall be tax free up-to certain level, which is permitted as per Finance Act.
- (11) Investment in the Fund would qualify for investment tax credit under section 44(2) of the Income Tax Ordinance, 1984.
- (12) Management and operation of Mutual Funds are subject to prudential guidelines. BSEC regularly monitors the performance of such funds. The laws governing Mutual Funds require exhaustive disclosure to the regulator and general public. As a result, the investors shall be able to know the performance of the Fund and accordingly they can be able to take convenient entry and exit options.

CHAPTER-3

THE FUND

3.1 THE CONSTITUTION OF THE FUND

The Capitec Grameen Bank Growth Fund is constituted by a Trust Deed entered into between Grameen Bank and Investment Corporation of Bangladesh (ICB) on 14 May 2023 under the Trust Act, 1882, and Registration Act, 1908.

The Fund has been registered by the BSEC on **25 May 2023** under the **সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১**. The Fund received consent for issuing Prospectus for public offer from BSEC on **17 August 2023**.

3.2 LIFE OF THE FUND

The Fund shall be a close-end Mutual Fund of **10 (ten) years** tenure, established with a view to broaden the base of investment and develop the capital market.

The Fund may be redeemed on its pre-determine maturity at the end of the tenth year but the fund can be converted into the Open-end scheme by taking the acceptance proposal of conversion as per BSEC rules and subject to the approval of the Commission.

3.3 Size, Face Value and Market Lot of the Fund

- (01) Total Fund is at 200,000,000 (Twenty Crore) units of Tk. 10.00 (ten) each totaling Tk. 2,000,000,000 (Two Hundred Crores) only.
- (02) The Sponsor's portion of the Fund is 100,000,000 (Ten Crore) units of Tk. 10.00 (ten) each totaling Tk. 1,000,000,000 (One Hundred Crores) only.
- (03) Size of the Initial Public Offering (IPO) is 100,000,000 (Ten Crore) units of Tk. 10.00 (ten) each totaling Tk. 1,000,000,000 (One Hundred Crores) only available as public offering to General Public, NRB, Mutual Funds and collective investment schemes.

CHAPTER- 4

INVESTMENT OBJECTIVES AND POLICIES

4.1 Investment Objective

The objective of the Capitec Grameen Bank Growth Fund is to generate risk adjusted return in the forms of capital appreciation, dividend income and to provide attractive dividend payments to the unit holders by investing the authorized instruments of capital market and money market.

4.2 Investment Policy

- (01) Subject to other provisions of the Rules, the fund may invest only in-
 - (a) Securities listed with a stock exchange;
 - (b) Money market instruments including government securities;
 - (c) Privately placed bonds, debenture and pre-IPO capital of entities with explicit plan to be listed with a stock exchange within two years from the date of the investments;
 - (d) Securitized debt instruments, which are either asset backed or mortgage backed securities;
 - (e) Open-end mutual funds approved by the Commission.
- (02) Not more than 70% (Seventy percent) of the total assets of the Fund shall be invested in capital market instruments. Of this, at least 50% (fifty percent) percent shall be invested in listed securities that are actively traded in stock exchanges. Investment in Government Securities shall not be considered as an exposure to capital market instruments.
- (03) Not less than 30% (thirty percent) of the total asset of the Fund shall be invested in fixed income securities including Government Securities.
- (04) Not more than 10% (Ten Percent) of the total asset of the Fund shall be invested in the non-listed securities at any particular date. In case of investment in non-listed corporate bonds or pre-IPO capital, the asset manager shall obtain prior approval from the Commission.
- (05) Money collected under this fund shall be invested in accordance with this trust deed and investment management agreement of the fund and applicable rules, regulations, and standards.
- (06) The Fund shall get the securities purchased/ transferred in the name of the Fund.

- (07) Only the Asset Management Company will make the investment decision and place orders for securities to be purchased or sold for the scheme's portfolio.
- (08) Non-listed securities that enjoy an "Investment-grade" credit rating by a recognized credit rating agency are eligible for investment by a mutual fund. **The fund can invest in unlisted corporate securities only after a prior approval of the Commission.**
- (09) The Asset Management Company shall choose broker(s) for the purchase and sale of securities and Bank(s)/NBFI(s) to do FDR for the fund's portfolio.
- (10) Settlement of transactions shall take place as per the customs and practice of the relevant laws.

4.3 Investment Restrictions

- (01) The Fund shall not invest in more than 10% (ten percent) of paid up capital (or other securities such as bond or debenture) issued by any company.
- (02) The Fund shall not invest more than 10% (ten percent) of its total assets in shares, debenture or other securities of a single company or a group of companies under the control of a parent company. This condition shall not be applicable in case of investments in government securities.
- (03) The Fund shall not invest more than 25% (twenty-five percent) of its total assets in shares, debentures or other securities in any one industry.
- (04) The Asset Management Company (AMC) shall not do, for the purpose of inducing, dissuading, effecting, preventing, or in any manner influencing or framing to its advantage, the sale or purchase of any security, directly or indirectly,
 - a. create a false and misleading appearance of active trading in any security;
 - b. effect any transaction in securities between mutual funds under the control of an Asset Management Company shall happen as per the rules;
 - c. directly or indirectly effect a series of transactions in any security creating the appearance of actively trading therein or of raising of price for the purpose inducing its purchase by others or depressing its price for the purpose of inducing its sale by others;
- (05) A mutual fund shall not, under any circumstance, trade in units of mutual funds, schemes of mutual funds, under the control of the same Asset Management Company.
- (06) The Fund shall not acquire any asset out of the Trust property, which involves the assumption of any liability that is unlimited or shall result in encumbrance of the Trust property in any way.
- (07) The Fund or the Asset Management Company on behalf of the Fund shall not give or guarantee term loans for any purpose or take up any activity in contravention of the বিধিমালা.
- (08) The Fund shall buy and sell securities on the basis of deliveries and shall, in all cases of purchases, take delivery of securities and in all cases of sale, deliver the securities on the respective settlement dates as per the custom and practice of the stock exchanges and shall in no case put itself in a position whereby it has to make short sale or carry forward transaction.
- (09) The Fund shall not involve in option trading or short selling or carry forward transaction.
- (10) The fund shall not, under any circumstance, trade in units of mutual funds, schemes of mutual funds, under the control of the same Asset Management Company.

4.4 Investment Approach and Risk Control

A top-down and bottom-up approach may adopt the following investment approaches and risk control measures, namely: -

- (01) Investments will be pursued in selected sector based on the analysis of business cycles, regulatory reforms, competitive advantages, etc.
- (02) Selective stock picking will be done from the selective sectors.

- (03)The Asset Management Company in selecting scripts will focus on the fundamentals of the business, the industry structure, the quality of management, sensibility to economic factors, the financial strength of the company.
- (04)In addition, the Asset Management Company will study the macro-economic conditions, including the political, economic environment, and factors affecting liquidity and interest rate.
- (05)Risk will also be reduced through adequate diversification of the portfolio; Diversification will be achieved by spreading the investment over a range of industries/sectors.
- (06)Since disciplined investing requires risk management, the Asset Management Company would incorporate adequate safeguards for controlling risks in the portfolio construction process.

4.5 Valuation Policy

- (01)For listed securities held in the portfolio of the Fund, the average quoted closing market price at the Stock Exchange(s) on the date of valuation shall be taken into account for calculation of Net Asset Value (NAV) of the Fund or as specified in বিধিমালা.
- (02)The income accrued on any instruments on the date of valuation shall be taken into account in any calculation of net asset value of such securities in the portfolio of the Fund.
- (03)The Fund shall fix the valuation method as specified in the বিধিমালা.
- (04)The Fund shall follow the method approved by the Commission for valuation of the non-traded investments, if any, the Asset Management Company and the Trustee shall at least periodically review the non-listed investments, if any, and the Trustee shall at least periodically review the value of such investments. The auditors shall comment on such investments in the annual report of the Fund.
- (05)The valuation of those Listed Securities not traded within the previous one-month will be made with their reasonable value but shall not be more than the intrinsic value. The such valuation must be approved by the Trustee and commented upon by the Auditors in the Annual Report of the mutual fund but shall not be more than the intrinsic value of the securities.
- (06)The Valuation of non-listed securities will be made by the Asset Management Company with their reasonable value and approved by the Trustee and commented upon by the Auditors in the Annual report of the Fund.
- (07)Once Non-listed securities are valued, the valued amount will be considered for purpose of valuing the Fund's assets in any interval of time until the securities are further revalued by the Asset Management Company.
- (08)The Asset Management Company and the Trustee will value the non-listed securities at least once in every three months.
- (09)In case of deferred expenses, accrued expenses for the period will be taken into account for determining total liabilities.

4.6 Accounting for Net Asset Value per Unit of the Fund and Fair Valuation of Financial Instruments:

- (01)The AMC shall calculate Net Asset Value (NAV) per unit of the fund at fair value on a daily basis and be disclosed in the manner specified by the Commission.
- (02)The Net Asset Value of the Fund shall be equal to the fair value of identifiable assets minus the fair value of liabilities of the Fund. Net asset Value per unit shall be calculated by dividing the Net Asset Value by units outstanding of the Fund at the measurement date.
- (03)An asset is identifiable if it either:
 - a. is separable, i.e. capable of being separated or divided from the entity, or sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so; or
 - b. Arises from contractual or other rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

- (04) Identifiable assets may include intangibles including monetary assets without physical substance but shall exclude fictitious assets such as unamortized issue costs, preliminary costs, and/or advances, deposits and prepayments which embody no future economic benefits and cash flows to the company.
- (05) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement shall be done for a particular asset or liability. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or in the absence of the principal market, in the most advantageous market for the asset or liability.
- (06) In order to do fair valuation of assets and liabilities of a Fund, the Asset Management Company shall strictly comply with accounting recognition and measurement principles and disclosure provisions of International Financial Reporting Standards (IFRSs) particularly including that of IFRS 13 (Fair Value Measurement).
- (07) The AMC shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument. At initial recognition, a company shall measure a financial asset or a financial liability at its fair value plus (or minus) transaction costs that are directly attributable to the acquisition (or issue) of the financial asset or financial liability.
- (08) After initial recognition of a financial asset, the AMC shall classify, subject to the approval of the Commission, the financial asset as subsequently measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost on the basis of both:
- a. the company's business model for managing financial assets and
 - b. the contractual cash flow characteristics of the financial assets
- (09) The AMC shall have the option, at initial recognition, to irrevocably designate a financial asset and a financial liability to be measured at fair value through profit or loss.
- (10) After initial recognition, that is, at subsequent balance sheet dates, an AMC shall measure a financial asset at fair value through profit or loss, fair value through other comprehensive income or amortized costs and in compliance with provisions of IFRSs.
- (11) After initial recognition of a financial liability, the AMC shall classify and measure, subject to the approval of the Commission, all financial liabilities at fair value through profit or loss, or amortized costs and comply with provisions of IFRSs. The AMC shall have the option, at initial recognition, to irrevocably designate a financial liability to be measured at fair value through profit or loss.
- (12) A gain or loss on a financial asset or financial liability that is measured at fair value shall be recognized in profit or loss unless:
- a. it is an investment in an equity instrument and the AMC has elected present to present gains and losses on that investment in other comprehensive income.
 - b. it is a financial asset measured at fair value through other comprehensive income;
 - c. it is a financial liability designated as at fair value through profit or loss but the entity is required to present the effects of changes in the liability's credit risk in other comprehensive income. In that case, the remainder amount of change in the fair value shall be presented in profit or loss.
- (13) At initial recognition, the AMC may elect to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument which is not held for trading. The AMC shall however recognize in profit or loss any dividends from investments in equity instruments that are not held for trading.
- (14) A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses.
- (15) Adequate disclosure shall be made on the valuation of investment in securities and other financial instruments in both the interim and annual financial statements. Trustee shall not approve any

financial statements without adequate disclosure of accounting policies as to the fair valuation of investments in securities.

- (16) Independent external auditor shall give opinion as to the fair value of investments in securities and/or financial instruments of the Fund. The external auditor shall specifically comment on assumptions and inputs used for the valuation of investments in unlisted securities of the Fund.

4.7 Accounting and Reporting for Provision for Diminution (or Appreciation) in Fair Value of Investments in Financial Assets:

- (01) After the initial recognition of a financial asset, the AMC shall make provision for diminution in the fair value of investments in securities of the fund whenever the fair value of a security is less than its acquisition cost. At subsequent balance sheet dates, if the fair value of the financial asset further decreases, a new provision to that extent shall accrue with respect to that particular financial asset. On the other hand, if the fair value rises since the previous balance sheet date but remains below the acquisition costs of the financial asset, a reversal of past provision to the extent of the rise shall be made and added to the earnings for the period of the Fund.
- (02) Investments in financial assets shall be reported at fair value, not at acquisition costs, in the statement of financial position of the fund.
- (03) If the fair value of investments in a security exceeds the acquisition cost, the excess of the fair value over the acquisition cost shall be recognized as 'other comprehensive income,' not to be offset against aggregate provision for diminution in the fair value of investments in other securities.
- (04) Other comprehensive income shall be reported as a part of the unit holders' equity of the Mutual Fund.
- (05) Any financial asset, which is not actively trading in any organized stock exchange, shall be classified as a "Non-performing financial asset" if the issuer of the security fails to pay a return, either a dividend or an interest income, to the AMC in consecutive two financial years.
- (06) The fair value of a 'non-performing financial asset shall be done following International Financial Reporting Standards (IFRSs), supplemented by a full disclosure of inputs and methods of the valuation, and be subject to the approval of the Trustee of the Fund.
- (07) The external auditor shall comment on the fair valuation of investments in financial assets which are either unlisted or not actively trading in a stock exchange and on the quality of accompanying disclosure on investments in financial assets.

4.8 Net Asset Value (NAV) Calculation:

The Fund shall follow a general formula as specified in the বিধিমালা for computing the Net Asset Value (NAV) of the Fund and adequate disclosure shall be made as per the provision of the বিধিমালা.

The Fund will use the following formula to derive NAV per unit:

$$\text{Total NAV} = \text{VA} - \text{LT}$$

$$\text{NAV per unit} = \text{Total NAV} / \text{No. of units outstanding}$$

VA = Value of all securities in vault + Value of all securities placed in lien + Cash in hand and at bank + Value of all securities receivables + Receivables of proceeds of sale of investments + Dividend receivables net of tax + Interest receivables net of tax + Issue expenses amortized as on date + Printing, publication and Public stationery expenses amortized as on date.

LT = Value of all securities payable + Payable against purchase of investments + Payable as brokerage and custodial charges + Payable as Trustee fees + All other payable related to printing, publication and stationery + Accrued deferred expenses with regard to management fee, annual fee, audit fee and safe keeping fee.

4.9 Investment Management

Capitec Asset Management Limited shall conduct the day-to-day management of the Fund's portfolio as the Asset Management Company subject to the provisions laid down in the বিধিমালা and Trust Deed or any general directions given by the Trustee and/or by the Commission.

However, Capitec Asset Management Limited shall have discretionary authority over the Fund's portfolio about investment decision.

4.10 Dividend Policy

- (01) The accounting year of the Fund shall be July 01 to June 30.
- (02) All the unit holders have equal but proportionate right in respect of dividend. Dividend will be paid in Bangladeshi Taka.
- (03) The Fund shall distribute minimum 50% or as may be determined by this বিধিমালা from time to time, of the annual net income of the Fund as dividend at the end of each accounting period after making provision for Bad and Doubtful Investments. The Fund shall create a Dividend Equalization Reserve by appropriation from the income of the Fund to ensure consistency in dividend payment.
- (04) Before declaration of dividend, the Asset Management Company shall make a provision in consultation with the auditors if market value of investments goes below the acquisition cost and the method of calculation of this provision shall be incorporated in the notes of accounts.
- (05) Surpluses arising simply from the valuation of investments shall not be available for dividend.
- (06) Dividend warrants shall be dispatched within 45 (Forty five) days from the declaration of such dividend and the AMC shall submit a statement in this respect within next 7 days to the Commission, the Trustee and the Custodian.
- (07) Before record of ownership by the CDBL, a transferee shall not possess the right to any dividend declared by the Fund.
- (08) The Asset Management Company may open separate Bank Account for each dividend distribution out of the Fund. Notwithstanding anything in the Trust Deed the beneficial ownership of the balances in the Accounts shall vest in the Unit Holders.

4.11 Measurement of Earning and Payment of Dividend

- (01) Net income for a financial period of a mutual fund shall be measured following International Financial Reporting Standards (IFRSs) and after incorporating all valid income, eligible expenses as well as provision for diminution in the fair value of investments in securities and other financial assets.
- (02) Trustee shall examine every item of expenses of a mutual fund and determine their eligibility to be a valid charge against income of the Fund.
- (03) Adequate disclosure shall be made with respect to provision (or reversal of provision) for diminution (or appreciation) in fair value of investments in securities. The excess of fair value over cost of investments in securities, if true in aggregate, shall be reported as an 'other comprehensive income' in the Statement of Profit or Loss or Other Comprehensive Income and not be a part of earnings for the period.
- (04) Other comprehensive income shall be reported as a separate line item under the unit holders' equity and not be aggregated with any other reserve(s).
- (05) The fund shall make a full disclosure of the provision for diminution in fair value of investments in the statement of changes in unit holders' equity specifically showing changes in the provision account during the period.
- (06) The fund after the end of the financial year shall pay a minimum 50 percent of its earnings of the year as dividends to the unit holders provided that the Fund has not reported an accumulated loss (that is, negative retained earnings) in the annual audited financial statements as of the last balance sheet date.

- (07)The Fund shall not issue reinvestment unit (RIU) under any circumstance.
- (08)Dividend shall never be paid out of other comprehensive income and/or unrealized capital gains.
- (09)Without violating provisions of this Directive, the fund may create a dividend equalization reserve in order to stabilize payments of dividends in future.

4.12 Distribution of Dividend and Limits thereof

- (01)The Fund shall declare and pay dividend to the unit holders annually from the distributable profit, if any.
- (02)Unit holders whose names will appear in the register on the record date to be declared each year will be eligible to receive the dividend.
- (03)The Fund shall as soon as may be, after the closing of the annual accounts, declare and distribute by way of dividend to the holders of the units of the scheme in accordance with the Rules, an amount, which shall not be less than (50%) Fifty percent of the net profits earned during the year, or as recommended by the Asset Management Company and approved by the Trustee to the unit holders in accordance with the বিধিমালা or as determined by the Commission from time to time.
- (04)The Asset Management Company shall dispatch the dividend warrants at the expense of the Scheme of the Fund, within forty-five days of the declaration of the dividend of the scheme and shall submit a statement within next seven days to the commission and the Trustee. Dispatching expenses stated above shall be met from the Fund of the Mutual Fund.

CHAPTER-5

RISK MANAGEMENT

5.1 Risk Factors

Investment in securities market always bears some risks. Investment in this Fund also involves certain risk factors. The investors should carefully consider the following risks in addition to other information contained in the Prospectus in evaluating the offer and also for taking a decision whether to invest or not:

- (01) The performance of the Fund is directly related with the macro economic situation particularly the capital market of Bangladesh.
- (02) Since the capital market of Bangladesh is highly volatile, there is no assurance of achieving the stated objective of the Fund.
- (03) Due to small number of listed securities in both the Stock Exchanges, it may be difficult to invest the Fund's assets in a widely diversified portfolio as and when required to do so.
- (04) Due to a very thin secondary bond market in Bangladesh, it would be difficult for the Fund Manager to swap between asset classes if and when required.
- (05) Limited money market instruments narrowed the opportunity of short term or temporary investments of the Fund.
- (06) Stock market trends show that price of almost all the listed securities move in unpredictable direction which may affect the value of the Fund. Moreover, there is no guarantee that the market price of units of the Fund shall fully reflect their underlying net asset values.
- (07) If the companies fail to provide expected dividend, this may affect the return of the Fund.
- (08) For investing in Pre-Public Offer Placement securities i.e. in unlisted equity securities by the Fund may involve liquidity risk.
- (09) Uncertainties like political and social instability may affect the value of the Fund's Assets.
- (10) Government policy and tax laws may change, affecting the return on investment in Units.

- (11) Adverse effect of the economic crisis of the international community on the Capital Market of Bangladesh may affect the performance of the Fund.
- (12) Adverse natural climatic condition may hamper the performance of the Fund.

5.2 Expected Market Performance of the Fund

- (01) As the capital market index is comparatively low now, the Fund should be able to construct portfolio at a relatively cheaper cost base.
- (02) It is expected that demand of the Fund's units shall always rule over supply.
- (03) Image of Capitec, being the fastest growing AMC and reputed trustee like ICB may motivate investors to invest in this Fund.
- (04) Successful launching and subsequent satisfactory performance of 3 (Three) Mutual Funds managed by the Capitec Asset Management limited may attract the Investors to invest in this Fund.

5.3 Who to invest and how much to invest

Persons who do not have tolerance of bearing risk and know nothing about the functioning of the capital market need not apply for the units of the Fund. Considering other factors like the investment opportunities available in the market, return expectation, income level and consumption pattern, one may put a part of his/her total portfolio into the Fund.

CHAPTER-6

FORMATION, MANAGEMENT AND ADMINISTRATION

6.1 Sponsor of the Fund

Grameen Bank, a specialized bank, was established under the Grameen Bank Ordinance No. XLVI of 1983 (replaced by Grameen Bank Act, 2013) operating to alleviate poverty through financial services, especially by providing micro-credit. Empowering the rural poor is the basic objective of the Bank. Grameen Bank shall act as the Sponsor of the Fund. Government of Bangladesh owns 24% of the Bank and the rest 76% is held by the micro-credit borrowers/members of the bank. The Government nominates three directors including the Chairman and nine other directors are elected representatives from among the Grameen borrowers.

6.2 Trustee of the Fund

Investment Corporation of Bangladesh (ICB) would act as the Trustee of the CAPITEC GRAMEEN BANK GROWTH FUND. The ICB was established on 01 October 1976, under "The Investment Corporation of Bangladesh" Ordinance, 1976 (No. XL of 1976). The establishment of ICB was a major step in a series of measures undertaken by the government to accelerate the pace of industrialization and to develop a well-organized and vibrant capital market, particularly securities market in Bangladesh. ICB provides institutional support to meet the equity gap of the companies. In view of the national policy of accelerating the rate of savings and investment to foster self-reliant economy. ICB assumes an indispensable and pivotal role.

The main objectives of ICB are to encourage and broaden the base of investments, develop the capital market, mobilize savings, promote and establish subsidiary companies for business expansion and provide for matters ancillary thereto. At present the corporation is being operated under the "Investment Corporation of Bangladesh Act, 2014." Over the years, the activities of ICB have grown manifold, particularly in Merchant Banking, Mutual Funds operations and Lease Financing activities. ICB pioneered the Mutual Fund Industry in Bangladesh.

6.3 Asset Manager of the Fund

Capitec Asset Management Ltd is a privately-owned Asset Management Company (AMC) based in Dhaka. The AMC license was issued in 2017 by the Bangladesh Securities and Exchange Commission (BSEC). Currently, the

company has a team of professionals with decades of experience in national and international markets. Capitec Asset Management Ltd innovates and creates new investment solutions for their clients. Main aim is to manage risk and uncertainty to deliver resilient investment outcomes. Capitec has a team of highly expert investment professionals which is leading by the dynamic directors with combined experience of more than 15 years in both internationally and local investment industry. Senior management is supported by a team of portfolio managers, equity research and data analysts, and finance, operations and compliance team. Capitec follow a thorough and structured investment process, based on top down macro-economic, market and sector research in parallel with company specific bottom-up research, company management interviews and fundamental analysis.

Brief profiles of the directors and key personnel of the company are as under:

Mr. Hasan Rahman, Founder & Chairman

Mr. Hasan Rahman is the founder & Chairman of Capitec Asset Management Ltd, licensed by Bangladesh Securities and Exchange Commission. Mr. Rahman has near about seventeen years of diverse hands on experience in HRM, Business Administration, Finance & Accounts, Capital Market Operations, Financial Products, Corporate Training programs and workshops both locally and internationally. With his years of experience in financial market and organizations around the world, he founded Capitec to bring very professionally managed funds for the local clients and companies. Mr. Hasan Rahman has successfully introduced Insurance Agent Training Program for the first time in Bangladesh by convincing Insurance Development & Regulatory Authority (IDRA) to strengthen the insurance companies in Bangladeshi market. He is also the Director of Experts Academy Ltd; prominent professional training center, which serves financial institutions, companies and individuals. Apart from those Mr. Rahman has several investments in Information Technology, Print Media and so-forth. Mr. Rahman completed higher degrees from abroad.

Mr. M. Mahfuzur Rahman, Managing Director

Mr. M. Mahfuzur Rahman was the former Executive Director and Spokesperson for Bangladesh Bank as well as the Deputy Head of BFIU. During his long career, he earned wide experiences in the commercial banking sector. He had signed MOU on money laundering and combating financing of terrorism as a representative of Bangladesh with nine countries. He led different teams of Bangladeshi representatives in eighteen International Conferences and participated in meetings in different countries. To enhance remittance inflow, he has participated twenty-one separate dialogues as Principal Guest/Special Guest held in twelve different countries. He is an award-winning acclaimed writer, and currently working in Capitec for the development of capital market in Bangladesh.

Mr. Ishtiaque Ahmed Chowdhury, Advisor

Mr. Chowdhury had served as a Managing Director & CEO of Trust Bank Limited for two terms. Currently, he is the Managing Director of Experts Academy Ltd; prominent private training center of the country. After completing higher studies, Mr. Chowdhury began his banking career as Probationary Officer in Rupali Bank in the year 1977. He switched over to Arab Bangladesh Bank Ltd. in the year 1984 as Senior Officer and worked there till September 2002. Prior to that joining Trust Bank Limited, Mr. Chowdhury was Executive Vice President & Regional Manager of four mid-city branches of The Oriental Bank Limited, which subsequently renamed as ICB Islamic Bank Ltd. He joined Trust Bank on October 2003 as Senior Executive Vice President. Over the last 29 years, Mr. Chowdhury's career evolved as a well-rounded banker with adequate exposure in Strategic Risk Management, Revenue Growth, Client Acquisition, and Operations Management. Mr. Chowdhury has participated in a good number of professional trainings, workshops, and seminars at home and abroad. He has involved with different renowned society, club and association to work for the development of Bangladesh.

Mr. Sumit Paul, Chief Operating Officer (COO) and Chief Compliance Officer (CCO)

Mr. Sumit Paul is an experienced finance professional currently serving as the Chief Operating Officer (COO) at Capitec Asset Management Limited. He is also a key member of the Investment Committee of CAPITEC, where he plays an important role in driving investment decisions and managing portfolios. Prior to joining CAPITEC, Mr. Paul worked in another renowned Asset Management Company for more than 8 years in various important roles. During his career, he has gained professional experience of almost eleven years in the areas of Equity and Debt Market, Fund Operations in AMC. He has also launched and managed several Close-end Mutual Funds, Open-end Unit Funds and Provident Funds. Mr. Paul holds a Master of Business Administration (MBA) in Finance and a Bachelor of Business Administration (BBA) in Finance and Accounts. His academic credentials have provided him with a strong foundation in the principles of finance and accounting, which he has applied throughout his career. In addition to his academic qualifications, Mr. Paul has participated in various professional training programs focused on Asset Management, Portfolio Management & Security Analysis, Venture Capital, Negotiation Skills Development, Money Laundering Prevention Act & Anti-Terrorism Act, and Tax & Vat. These training programs were offered by well-respected institutions such as BICM, Experts Academy Limited, Light Castle, CDBL, and DSE Training Institute.

Mr. Md. Raju Ahmed, Chief Investment Officer (CIO)

Mr. Md. Raju Ahmed has more than 13 years of experience in the capital market of Bangladesh. Prior to joining in Capitec Asset Management Limited, he was the Assistant Manager of another Asset Management Company. He started his career at Brokerage House and worked there for six years. He has diversified experience in Portfolio Management, Securities Analysis, Technical Analysis and Operations of AMC. He has also attended numerous training programs and seminars related to the capital market including Portfolio Management & Securities Analysis, Technical Analysis, Securities Laws of Bangladesh, Investors Awareness program, Financial Statement Analysis, Financial Modeling from PFS and Certified Authorized Representative from Dhaka Stock Exchange.

Kazal Saha, Senior Assistant Manager (Accounts Department)

Mr. Kazal Saha is the Senior Assistant Manager in Accounts Department at Capitec Asset Management Ltd. He has been working in the financial industry and Non-Government Organizations for over four years in the field of Accounts, Financial Management, Budgeting Monitoring and Controlling, Strategic Planning, etc. He completed his B.B.S with Honours and M.B.S in Accounting with outstanding academic performance. Mr. Kazal completed his CA (CC) course under the Institute of Chartered Accountants of Bangladesh (ICAB). Apart from academic credentials, Mr. Kazal has participated in different professional training programs at different levels in the area of Corporate Accounting, Financial Accounting, Management Accounting and Control, Income Tax, Value Added Tax, Organization Leadership, etc.

Md. Monzur-E-Rahman, Assistant Manager (Admin & Operations)

Md. Monzur-E-Rahman serving as Assistant Manager in Admin & Operations of Capitec Asset Management Limited. He has more than 5 years of experience in the financial sector. Before joining Capitec he worked as an Associate in the Fund Operations Department of an other Asset Management Company for one and a half years. Where he had experience in the operation of mutual funds. Mr. Monzur completed his Master of Business Administration (MBA) and started his career at Credit Rating Agency as a Rating Analyst in 2018. He has participated in numerous seminars and training programs related to the capital market & money market.

Kazi Fahim Shahriar, Assistant Manager (Investment Department)

Kazi Fahim Shahriar is associated with Capitec Asset Management Limited as an Assistant Manager in the Investment Department. He is responsible for continuously assessing investment risk, conducting sector, industry, and local-global economic analysis, executing in-depth equity valuation under the valuation model, and preparing equity notes. He also performs research and analyzes assets, such as stocks, bonds, currencies, money market instruments, and commodities, and conducts advanced technical and fundamental analysis. He completed the Bachelor of Business Administration (BBA) program with an academic honor of distinction of Magna Cum Laude from the Department of Business Administration, majoring in Finance. He started his career as an Investment Analyst at Capitec Asset Management Limited and prior to that he completed an internship program at a renowned Bank in Group Finance Division.

6.4 Custodian of the Fund

Investment Corporation of Bangladesh (ICB) would act as the Custodian of the Capitec Grameen Bank Growth Fund. The Corporation has long and proven experience in portfolio management Supervisory function, particularly in buying and selling of shares, corporate restructuring and engineering, offloading of government shares and hosts of other merchant bank related activities for the benefit of its clients. To maintain efficiency and stability in stock market, ICB always plays important role as a market maker. ICB has enhanced its efforts to persuade the listed companies to comply with the corporate governance guidelines circulated by the BSEC. Besides this, ICB helped to protect small investors' interests and to increase the stability in the capital market by implementation of various steps taken by BSEC.

6.5 Investment Committee (IC)

The Investment Committee (IC) approved by the Board of Directors (BoD) of Capitec Asset Management Limited is responsible for achieving the objectives of the undertaken funds by understanding the relationship between the fund disbursement and the investment policy as instructed by the BSEC, Trust Deed, সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ & other rules and regulations as imposed by competent authorities. The IC shall perform the function as declared in investment policy and guideline. Along with making decisions for the best asset allocation method, IC is liable for monitoring and managing the portfolio for compliance with the fund's investment guiding principles. IC of AMC is consisted with the following:

1. Managing Director
2. Chief Operating Officer
3. Chief Investment Officer

6.6 Auditors

MABS and J Partners, Chartered Accountants has been appointed as the Auditor of the Fund for the first year. They are one of the reputed audit firms of the country. The Trustee shall appoint subsequent auditors.

CHAPTER-7

FINANCIAL CHARGES

7.1 Expenses of The Fund

- (01)The initial issue cost of the fund shall not exceed 4% of capital actually raised under the Fund or the scheme of the Fund. The Asset Management Company shall furnish to the Commission a detailed breakdown of the initial issue cost in the prospectus/offer document of the Fund. The Asset Management Company shall amortize the initial issue costs of the Fund within a maximum period of five (05) years. In case of availability of profits, an Asset Management Company can amortize the initial issue expense over a shorter period than five years.
- (02)The total expenses charged to the Fund, except the amortization expenses of initial issuance expenses and including transaction cost in the form of stock brokerage against buy and sale of securities forming a part of acquisition or disposal cost of such securities, transaction fees payable to the Custodian against acquisition or disposal of securities, CDBL charges, listing fees payable to the stock exchange(s), management fees payable to the Asset Manager and Trustee fees, the annual registration fees payable to the Commission, audit fees, cost for publication of reports and periodicals, bank charges etc., shall not exceed 4% percent of the weekly average net assets outstanding of the scheme during any accounting year, or as determined by the Commission from time to time.

7.2 Limitation of Expenses

- (01)An Asset Management Company shall be entitled to asset management fees which will be calculated once a week on the basis of net asset value (NAV) at fair value of a mutual fund at the end of each quarter of a financial year and according to rates as per the Rules.
- (02)The Asset management fees shall be payable on a quarterly basis.
- (03)The AMC shall also be eligible to charge the following additional expenses against a mutual fund in addition to the asset management fees as defined in Rule 65(2):
- a. The initial issue costs shall be amortized within a maximum period of 05 (five) years.
 - b. The Trustee shall be paid an annual Trusteeship fee shall not exceed @0.10% of the Net Asset value (NAV) at Fair Value of the Fund on a semi-annual basis, during the life of the Fund.
 - c. The fees for Custodian services shall not exceed 0.10% per annum of the fair value of securities (both listed and non-listed) held by the Fund, to be calculated and paid on a semiannual-annual basis.
 - d. Bank charges.
 - e. Annual fees payable to the Commission as per the Rule (11).
 - f. CDBL Fees.
 - g. Listing fees.
 - h. Audit Fees.
 - i. Costs for publication of reports and periodicals specifically related to the Fund.
 - j. Valid expense for organizing a unit holders' meeting in compliance with the Mutual Fund Rules-2001.
- (04)Legal expenses of the AMC shall not be a charge against income of the Fund.
- (05)The AMC shall not charge transaction costs (including brokerage commission) as an expense in the statement of profit or loss and other comprehensive income.
- (06)At initial recognition, The AMC shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Likewise, an AMC shall recognize a sale of a financial asset at net realized value, that is, the selling price net of transaction costs.

(07) Total operating expense, excluding amortization of initial issue costs and provision for diminution in the fair value of investments, of a mutual fund, a scheme of a fund, shall not exceed 4 (four) percent of net asset value (NAV) at fair value of the Fund.

7.3 Fees and Expenses

The Fund shall pay the fees of Asset Management Company, the Trustee and the Custodian together with any other fees, commissions and expenses as may arise from time to time. The Fund shall bear its own costs and expenses incurred/accrued in connection with its formation, promotion, registration, public offering, listing together with certain other costs and expenses incurred in its operation, including without limitation of expenses of legal & consulting services, auditing, other professional fees and expenses, brokerage, share/debenture registration expenses, guarantee or underwriting commission and fees due to the BSEC. The Fund shall also bear all the other incidental expenses including printing, publication and stationery relating to its smooth & fair operation.

Keeping in mind, the Fund size of Tk. 2,000,000,000 (Two hundred crore) only, Capitec Asset Management Limited has estimated the normal annual operating expenses of the Fund, which shall not exceed 4% of the average NAV of the Fund. If the Asset Manager may appoint any Selling Agent for the Fund, after that the above-mentioned highest limit of expenses may not be violated. However, there may be variation in the actual operating expenses of the Fund. Major expenses of the Fund are detailed as follows:

(1) Issue and Formation Expenses

Issue and formation expenses are estimated to be not over 4% of the collected amount of the Fund. The expenses shall be amortized within 05 (Five) years on a straight-line method. The estimated expenses for the issue and formation of the Fund are presented below with the assumption of Taka 2,000,000,000 (two hundred crore) to be collected:

SL.	Type of Expenses	Percentage of Total Target Fund	Total (Taka)	Sub Total (Taka)	Description
1	Formation Fee Payable to AMC	1.00%	20,000,000.00	Set-fee	Formation Fee to AMC on Collected Fund of Approved Fund Size
2	Trustee Fee & Management Fee for Pre-Scheme Formation Period	0.40%	8,000,000.00	On Scheme	Management Fee for AMC for Pre-scheme Formation Period (Approximate) as per BSEC Directive (No.: SEC/CMRRCD/2009-193/160)
3	Legal Expenses (Listing, Registration Fees etc.)	0.68%	13,508,500.00		
				4,100,000.00	BSEC Registration Fees (0.2% of initial fund size) + BSEC Application fee
				100,000.00	DSE & CSE Draft Prospectus Scrutiny Fee
				3,700,000.00	DSE Listing and Annual Fees (Annual Fee Tk. 6,00,000 & Initial Listing Fee Tk. 31,00,000)

				3,700,000.00	CSE Listing and Annual Fees (Annual Fee Tk. 6,00,000 & Initial Listing Fee Tk. 31,00,000)
				400,000.00	DSE & CSE Data Transmission Fee
				408,500.00	CDBL Fee
				1,000,000.00	Registration & Listing Expense (Legal Fee)
				100,000.00	Trust Deed Registration Fee
4	Printing & IPO subscription expenses	0.74%	14,800,000.00		
				2,500,000.00	Prospectus Design & Printing Expenses
				2,500,000.00	Publication of Abridged Version of Prospectus & IPO Notification in Daily Newspaper
				7,500,000.00	Road Show and Investment Campaign Expenses
				1,000,000.00	Printing of Forms and Other Marketing Related Documents
				300,000.00	Courier & Distribution Expenses
				1,000,000.00	Other Marketing Expenses
5	Other Expenses	0.11%	2,100,000.00		
				2,000,000.00	Post Issue Manager/ Data Entry, Data Processing and other Related Job
				100,000.00	Bank Charge & Other Expenses
Total Issue and Formation Expenses		2.92%	58,408,500.00		

* The above cost is made in rough estimation, which are to be approved by BSEC.

* The above costs are made in best estimation, which may vary in actual.

(2) Management Fee

The Asset Management Company shall be entitled to charge the Fund an annual management fee for Investment Management at the following rate:

- @ 2.5% per annum of the weekly average Net Asset Value (NAV) of the Fund up to Tk. 50,000,000 (Taka five crore).
- @ 2% per annum for additional amount of the weekly average NAV of the fund over Tk 50,000,000 (Taka five crore) up to Tk. 250,000,000 (Taka twenty-five crore)
- @ 1.5% per annum for additional amount of the weekly average NAV of the fund over Tk. 250,000,000 (Taka Twenty-five crore) up to Tk. 500,000,000 (Taka fifty crore)

- d) @1% per annum for additional amount of the weekly average NAV of the Fund over Tk. 500,000,000 (Taka fifty crore)

Above accrued fees shall be paid quarterly by the Fund.

(3) Trustee Fee

The Trustee shall be paid an annual Trusteeship fee @ 0.10% on the Net Asset Value (NAV) of the Fund semiannually in advance basis during the life of the Fund.

(4) Custodian Fee

The Fund shall pay to the Custodian a safe keeping fee @ 0.10% of balance (Listed and Non-listed) securities held by the fund calculated on the basis of average month end value per annum. Any out of pocket expenses may be applicable to the Fund operation time to time.

(5) Fund Registration and Annual Fee

The Fund has paid 0.20% of the Fund size i.e. Tk. 4,000,000 (Forty Lac) only to the BSEC as registration fee. In addition to that the Fund shall have to pay @0.10% of the Fund size per annum as annual fee in terms of the বিধিমালা. The above registration fee of Tk. 4,000,000 (Forty Lac) was paid on the initial fund size of Tk. 200.00 Crore. This fee may be adjusted on the final fund size after IPO subscription.

(6) CDBL Fee

For listing with the CDBL there are both initial and recurring expenses. An amount of Tk. 5,00,000.00 (five lac) only as security deposit shall be kept with the CDBL without interest during the whole life of the Fund, while an IPO fee of Tk. 300,000 (Three Lac) only and documentation fee of Tk. 2,500.00 (two thousand five hundred) only shall be paid during the public subscription. Depository connection fee is Tk. 6,000.00 (six thousand) only per annum. Annual fee for the Fund shall be Tk. 1,00,000.00 (one lac) only.

(7) Listing Fee

The usual listing fees, annual renewal fees and other charges are to be paid by the Fund to the Stock Exchanges as per the DSE and CSE (Listing) Regulations, 2015.

(8) Audit Fee

The audit fee shall be Tk. 35,000.00 (Thirty-Five thousand) only for the first year and Trustee shall fix fees for subsequent years.

(9) Brokerage Fee

The Fund will pay to the stockbroker commission for executing the trades on behalf of the fund as per the agreement with the broker(s).

(10) Other Expenses

As per the terms of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ and trust deed, AMC may charge the expenses for fund lunching. Those Expenses are reimbursable to the AMC.

CHAPTER-8

CAPITAL STRUCTURE, TAX STATUS AND RIGHTS OF UNIT HOLDERS

8.1 Issue of units

The paid-up capital of the Fund shall be Tk. 2,000,000,000 (Two hundred crore) only divided into 200,000,000 units of Tk. 10.00 (ten) each. The total distribution of units shall be as follows:

Subscribers		No of Units	Face Value (Tk.)	Amount (Tk.)	Remarks
Sponsor*	Grameen Bank	100,000,000	10.00	1,000,000,000	Subscribed
Pre-IPO Placement**		-	-	-	
Sub-Total		100,000,000		1,000,000,000	
Under Initial Public Offering (IPO)					
Eligible Investor (Eis)	Other Eis (Including CISs)	20,000,000	10.00	200,000,000	Yet to be Subscribed
	Mutual Funds	5,000,000	10.00	50,000,000	
General Public	NRB	5,000,000	10.00	50,000,000	
	Others	70,000,000	10.00	700,000,000	
Sub-Total		100,000,000		1,000,000,000	
Grand Total		200,000,000	-	2,000,000,000	

* The Sponsors' contribution amounting to Tk. 1,000,000,000 (One Hundred Crore) only shall be subject to a lock-in period of one year from the date of listing on the Stock Exchange(s) and 10% of the Sponsor's contribution amounting to Tk. 100,000,000 (Ten Crore) only shall be subject to a lock-in period for life time of the Fund.

** All Pre-IPO Placement Investments are subject to a 06 (six) months lock-in effective from the date of listing of Capitec Grameen Bank Growth Fund on the Stock Exchanges.

8.2 Capital Structure

(1) Subscription from Sponsors

Grameen Bank has subscribed Tk. 1,000,000,000 (Taka One Hundred crore) for 100,000,000 (Ten crore) units of Tk. 10.00 each as per Rule 9 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১.

(2) Public Offer

Subscribers		Particulars	Issue Price Unit (Tk.)	Amount (Tk.)
Eligible investor (Eis)	Others Eis (Including CISs)	20% of IPO i.e. 20,000,000 units shall be reserved for other Eligible Investors (Eis)	10.00	200,000,000
	Mutual Fund	5% of IPO i.e. 5,000,000 units shall be	10.00	50,000,000

		reserved for Mutual Fund		
General Public	NRB	5% of IPO i.e. 5,000,000 units shall be reserved for Non-Resident Bangladeshis (NRBs)	10.00	50,000,000
	Others	70% of IPO i.e. 70,000,000 units shall be reserved for General Public.	10.00	700,000,000
Total				1,000,000,000

8.3 Tax Exemption

Investment in this Fund by individual investors shall enjoy tax exemption benefits under section 44(2) of the Income Tax Ordinance, 1984.

8.4 Rights of the unit holders

- (a) **Dividend:** All the unit holders have equal but proportionate rights in respect of dividends.
- (b) **Transfer of units:** Units are transferable. The transfer shall be made by the CDBL under the electronic settlement process.
- (c) **Voting Right:** All the unit holders shall have usual voting rights. Voting right can be exercised in person or by proxy in a meeting held in connection with any proposal to amend the characteristics of the Fund or any other agenda of meeting called by the Trustee in the circumstances mentioned in the Trust Deed or the বিধিমালা. In case of show of hands, every unit holder present in person or/and by proxy shall have only one vote and on a poll, every unit holder present in person and/or by a proxy shall have one vote for every unit of which he/she is the holder.
- (d) **Encashment:** The units shall be listed with DSE and CSE. So investment in this Fund shall easily be encashable.

8.5 Beneficial Interest

- (a) **Ownership:** The unit holders shall preserve only the beneficial interest in the trust properties on pro rata basis of their ownership of the Fund.
- (b) **Periodic Information:** All the unit holders of the Fund shall have the right to receive the Annual Report & Audited Accounts of the Fund. Moreover, NAV of the Fund be informed to the unit holders on weekly basis or as determined by the Commission from time to time through DSE/CSE and newspaper(s).
- (c) **Accounts and Information:** The Fund's financial year shall be closed on 30th June every year. Annual report or major head of Income & Expenditure A/C and Balance Sheet in line with schedule VI of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১ shall be published within 45 (Forty Five) days from the closure of each accounting year. Furthermore, the NAV, NAV per unit, any suspension or alteration of the calculation of NAV of the Fund shall be published/notified to the DSE and CSE by the Asset Management Company.

CHAPTER- 9

REDEMPTION / WINDING UP AND CONVERSION POLICY

9.1 Procedure of Winding up

- (01) The Closed-end schemes of the mutual fund may be wound up: -
- On the expiry of any pre-determined tenure.
 - On the happening of any event, which, in the opinion of the Trustee, requires the scheme to be wound up, subject to approval from the Commission,
 - If holders of seventy-five per cent units of the scheme pass a resolution that the scheme be wound up,
 - If the Commission so directs in the interest of the unit-holders.
- (02) Where a scheme is to be wound up in pursuance to the above, the Trustee and the Asset Management Company shall separately but simultaneously give notice of the circumstances leading to the winding up of the scheme to the Commission and the Stock Exchange(s), where applicable, and if winding up is approved by the Commission, shall publish in two daily national daily newspapers including a vernacular Bengali having circulation all over Bangladesh.

9.2 Manner of Winding up and Redemption

- (01) The Trustee shall call a meeting of the unit holders within the period stipulated by the বিধিমালা the date of notice to consider and pass necessary resolutions by three-fourth majority of the unit holders present and vote at the meeting for authorizing the Trustee and/or AMC or the person authorized to take steps for winding up of the Fund. If it fails to have three-fourth majority mandate, the Commission shall have the power to supersede the mandate if situation demands such.
- (02) The Trustee shall dispose of the assets of the Fund at the best interest of the unit holders, provided that the proceeds of sale made in pursuance of the বিধিমালা, shall in the first instance be utilized towards discharge of such liabilities as are properly due under the Fund and after making appropriate provision for meeting the expenses connected with such winding up, the balance shall be paid to the unit holders in proportion to their respective interest in the assets of the Fund as on the date when the decision for winding up was taken.
- (03) Within the period stipulated by the বিধিমালা from the completion of the winding up, the Trustee shall forward to the Commission and the unit holders a report on the winding up containing particulars such as circumstances leading to the winding up, the steps taken for disposal of assets of the Fund before winding up, expenses of winding up, net assets available for distribution to the unit holders and a certificate from the auditor of the Fund.

9.3 Effect of Winding up

On and from the date of the notice of the winding up of the Fund, the Trustee or the Asset Management Company, as the case may be, shall

- cease to carry on any business activities of the Closed-end Fund;
- cease to create and cancel unit of the Closed-end Fund;
- cease to issue and redeem units of the Closed-end Fund.

9.4 Conversion of the Fund

The conversion of close-end Mutual Fund shall be done with compliance to the conversion guideline issued by the BSEC.

CHAPTER-10

CONDITIONS FOR PUBLIC OFFER, ALLOTMENT, SUBSCRIPTION AND REFUND OF UNITS

Disclosure in respect of issuance of security demat form

As per provisions of the ডিপজিটরি আইন, 1999 and regulations made there under, units of the Fund shall be issued in dematerialized form, only and, for this purpose, Capitec Grameen Bank Growth Fund has signed an agreement with the CDBL. Therefore, all transfers/transmissions, splitting or conversions shall take place in the CDBL system.

10.1 Issue of Units

Total Issue	:	200,000,000 units of Tk. 10.00 each at par for Tk. 200.00 crore
Sponsor's Contribution	:	100,000,000 units of Tk. 10.00 each at par for Tk. 100.00 crore
Pre-IPO placement	:	0 units of Tk. 10.00 each at Tk. 0.00 crore
Reserved for Others Els (Including CISs)	:	20,000,000 units of Tk. 10.00 each at par for Tk. 20.00 crore
Reserved for Mutual Funds	:	5,000,000 units of Tk. 10.00 each at par for Tk. 5.00 crore
Non-Resident Bangladeshis	:	5,000,000 units of Tk. 10.00 each at par for Tk. 5.00 crore
Other Resident Bangladeshis	:	70,000,000 units of Tk. 10.00 each at par for Tk. 70.00 crore

10.2 Minimum subscription for the issue

The minimum subscription of the issue shall be determined as per বিধি 48 of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মিউচুয়াল ফান্ড) বিধিমালা, ২০০১. The target amount to be raised in respect of the Fund is Tk. 2,000,000,000 (Two hundred crore) only including Sponsor's portion. The Trustee & Asset Management Company shall be liable to refund the entire amount collected if subscription stands below minimum targeted amount prescribed in the বিধিমালা.

10.3 Conditions of Allotment

- (01) 100,000,000 (Ten Crore) units of Tk. 10.00 (ten) each shall be allotted among the Eligible investor (Els), Non-Resident Bangladeshis (NRB's), Mutual Funds and General Public.
- (02) As per provision of the ডিপজিটরি আইন, 1999 and regulations made there under Mutual Fund units shall only be issued in dematerialized condition.
- (03) Public Offer distribution system:
 - a) Out of public offering Tk. 5.00 crore reserved for Mutual Funds, Tk. 20.00 crore reserved for Eligible Investors (including CISs), Tk. 5.00 crore for Non-Resident Bangladeshis (NRBs) and Tk. 70.00 crore for Resident Bangladeshis;
 - b) All securities/units stated in para (a) shall be offered for subscription and subsequent allotment by the Asset Management Company subject to any restriction which may be imposed from time to time by the Bangladesh Securities and Exchange Commission;

- c) If the public offer is under-subscribed by any category of investors, the under-subscribed portion of the offer can be subscribed by the oversubscribed portion, if any, of another category of investors on a pro-rata basis.

Application for Subscription

Step-1 (Applicant):

1. An applicant for public issue of securities shall submit an application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e., the subscription closing date), which shall be the **25th (twenty fifth)** working day from the date of publication of an abridged version of the prospectus;
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Total Amount and Category of the Applicant;
 - a) Eligible investors shall submit an application through the electronic subscription system of the exchange(s) and deposit the full amount intended to subscribe by the method as determined by exchange(s);
 - b) The General Public and Non-resident Bangladeshi (NRB) applicants shall submit the application in the electronic subscription system of the exchange(s) through the Stockbrokers/Merchant Bankers where the applicant maintains customer account.

Step-2 (Intermediary):

3. The registered Stock broker/Merchant Banker in the ESS shall:
 - a) Post the amount separately in the customer account equivalent to the application money;
 - b) Accumulate all the applications/buy instructions received up to the cut-off date and transfer the amount to their respective Consolidated Customer Account.
4. The registered Stockbroker/Merchant Banker in the ESS shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and within 3 (three) working days from the cut-off date, upload to the ESS, the lists of applicants in electronic (text format with tilde '~' separator) format, deposit the full amount received from the General Public and Non-Resident Bangladeshi (NRB) applicants by the method as determined by exchange(s);
5. The application/buy instructions shall be preserved by the Stock broker/Merchant Bankers up to 6 (six) months from listing of the securities with the exchange;
6. The Exchanges shall prepare a consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification on the next working day. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not, verify more than two applications by an individual; verify more than two applications using same bank account and investment criteria;
7. **On the next working day**, CDBL shall provide the Exchanges with an updated database of the applicants containing BO Account Number, Name, Addresses, Parent s' Name and Joint Account information along with the verification report;
8. After receiving verification report and information from CDBL, the Exchanges shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications within 5 (five) working days;
9. **Within next working day**, the Exchanges shall provide the Commission and the AMC with the soft copy of subscription result.

Step-3 (AMC of Mutual Fund):

10. The AMC shall post the final status of subscription on their **websites within 6 (six) hours** and on the websites of the Commission and Exchanges **within 12 (twelve) hours** of receiving information by the Commission and the Exchanges;
11. Within **3 (three) working days** of receipt of the subscription result, the AMC and Exchanges shall:

- a) Process pro-rata allotment of securities to the General Public and Non-Resident Bangladeshi (NRB) applicants;
- b) Prepare category wise lists of invalid applicants who are subject to penal provisions as per conditions of the consent letter issued by the Commission in electronic (text format with tilde '~' separator) format mentioning the penalty amount against each applicant;
- c) The AMC shall issue allotment letters in the names of allottees in electronic format and
- d) The AMC shall credit the allotted shares to the respective BO accounts on the basis of allotment data (BOID and number of securities) via their CDBL VeDAS Terminal.

Step-4 (Intermediary):

12. **On the next working day**, Exchanges shall:

- a) remit the number of allotted applicants to the AMC's respective Escrow Account opened for subscription purpose;
- b) send the penalty amount who are subject to penal provisions to the AMC's respective Escrow Accounts along with a list; and
- c) distribute the information and allotment letters to the stock broker/Merchant Bankers concerned in electronic format with a request to refund the balance application money.

13. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Bankers shall refund the excess application money in the customer accounts and inform the applicants about allotment of securities.

Miscellaneous:

14. The AMC, Stockbrokers, Merchant Bankers and the Exchanges shall ensure compliance of the above;

15. The AMC shall pay the costs related to process the Eligible Investors allotment if claimed by the Exchange concerned up to an amount of Tk. 2,00,000/- (Taka Two Lac) only and Tk. 8,00,000/- (Taka Eight Lac) only for processing the applications of General Public and Non-Resident Bangladeshi (NRB) applicants if the subscription amount crosses the IPO amount by 4 (four) times or above;

16. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk. 5/- (Taka Five) only per application irrespective of the amount or category for the service provided till withdrawal of the money. The service charge shall be paid by the applicant at the time of submitting an application;

17. The Exchanges shall provide the AMC with a statement of the remittance;

18. The AMC shall send the penalty amount to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission;

19. The concerned Exchanges are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

All eligible Stockbroker/Merchant Banker shall receive the IPO subscription.

The Public Offer subscription money collected from successful applicants (other than NRB applicants) by the Stockbrokers/Merchant Bankers will be remitted to the **"CAPITEC GRAMEEN BANK GROWTH FUND" Escrow BDT A/C No. 1781320000304** with The City Bank Limited, Gulshan Avenue Branch, City Bank Center, 136, Gulshan Avenue, Gulshan-2, Dhaka-1212, Bangladesh for this purpose.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS ARE LIABLE TO BE REJECTED.

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

Interested persons are entitled to a prospectus, if they desire, and that copies of prospectus may be obtained from the asset managers.

CAPITEC GRAMEEN BANK GROWTH FUND

APPLICATION FOR PUBLIC OFFER

Date:	:																					
Name of applicant	:																					
Client Code	:																					
BO ID No.	:	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				
Category of applicant	:																					
Name of the Company/Fund	:																					
Number of Shares/Units	:																					
Total amount in Tk.	:																					
Amount in word	:																					
Mode of Payment	:																					
Cheque/Draft Information	:																					

Signature of Applicant(s)

Signature of Authorized Officer